



SUSTAIN-ABLE

CONTENTS

1. Vision & Mission	2
2. Who we are	5
3. Highlights	6
4. Our Management	8
5. Company Information	10
6. Directors' Report	12
7. Corporate Governance Report	20
8. Management Discussion & Analysis Report	49

Standalone Financial Statement

9. Auditors Report	57
10. Balance Sheet	64
11. Profit & Loss Account	65
12. Cash flow Statement	66
13. Statement of Change in Equity	68
14. Notes forming part of Financial Statement	69

Consolidated Financial Statement

15. Auditors Report	113
16. Balance Sheet	118
17. Profit & Loss account	119
18. Cash flow Statement	120
19. Statement of Change in Equity	122
20. Notes forming part of Financial Statement	123

Notice	168
---------------	-----

Forward looking statement

Statement in this report that describe the company's laws and regulations. The Company cautions that such objectives, projections, estimates, expectations or statements involve risk and uncertainty and that actual predications of the future may be 'forward looking results could differ materially from those expressed and statements' within the meaning of applicable securities implied.

“The natural
environment
sustains the life
of all beings
universally.”

-Dalai Lama



VISION



To be a socially responsible corporate with environment-friendly practices, innovative approaches, keen focus on corporate governance, professionally manage our organisational setup and contribute for the benefit of the society, farmers, employees and generally increase stakeholder value.

MISSION



- Excellence in management and quality control of sugarcane production, sugar product and all by-product with maximum efficiency.
- Encourage the sugarcane farmers in the area to have high productivity and good quality yields with the principle, care and responsible guidance for the farmers.
- Develop our administration and management systems continuously for the sustainability of profits of the sugarcane farmers and our businesses.
- Enhance innovation and research to increase organization and cane growers' efficiency and competitiveness.



WHO WE ARE

Parentage

Our Company was originally formed as a partnership firm known as Kamlapat Motilal at Kanpur; the founder partners were Jhunjhunwalas & Singhania and they had set up a small sugar milling plant at Kanpur in the year 1942, which was shifted to the present site at Faizabad between 1949 and 1950. In 1971, the firm was converted to a Private Limited Company known as K. M. Sugar Mills (Pvt.) Ltd., and got registered with the Registrar of Companies, Uttar Pradesh, Kanpur.

Promoters

Mr. L. K. Jhunjhunwala joined as Managing Director in 1971 and was driven by the objective to create one of the most reputed sugar companies in India. As a result, K M Sugar Mills Ltd has emerged as one of the most sustainable multi-product sugar companies in India, manufacturing sugar, ethanol and co-generated power.

Products

The Company is engaged in the manufacturing of sugar, ethanol (and related products) and power.

Plants

The Company's manufacturing units are located in Ayodhya, Uttar Pradesh.

Sugar division

The Sugar Division of the company currently has a crushing capacity of 9500 TPD and produces white crystal sugar and raw sugar for domestic consumption and exports.

Distillery division

The Distillery division of the company has a capacity of 50KLPD and manufactures the following:

- Rectified spirit
- Ethanol
- Sanitisers

The distillery division of our Company was set up in the year 1995 to manufacture Rectified Spirit (45 KLPD) and Extra Neutral Alcohol (20 KLPD).

In the year 2003, the division started production of Ethanol (30KLPD) and in 2004 the Extra Neutral Alcohol plant was modified to produce Ethanol, thereby increasing the total Ethanol production capacity to 45 KLPD, which increased to 50 KLPD in 2020.

Power division

The Company initiated a bagasse-based Co-Generation Plant with a capacity of 25 MWh in 2007, which was commissioned in 2008. The company has a Power Purchase Agreement with the Uttar Pradesh Power Corporation Ltd. for the sale of power generated by the Co- Gen plant.

People

The Company has a workforce of 339 employees as on 31st March, 2021, across its manufacturing facilities and offices.

Presence

The Company is listed on the National Stock Exchange and Bombay Stock Exchange. As on 31st March, 2021, it enjoyed a market capitalisation of Rs 107 crore.

At KM Sugar, our financial discipline reflects in our numbers not only for this fiscal, but over the years; because discipline is a part of our DNA.



Milestones achieved
in Sugar division

1971
1800 TCD



1980
2500 TCD

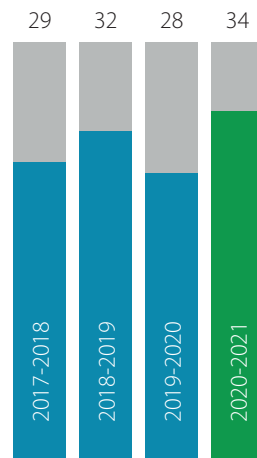


2000
3500 TCD

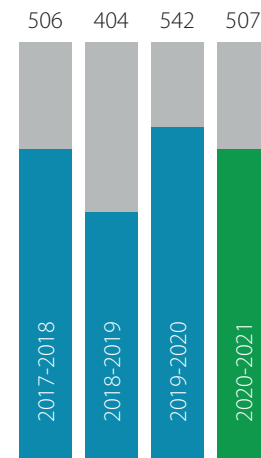


HIGHLIGHTS

PAT (in Cr.)



TURNOVER (in Cr.)



2003
5000 TCD



2006
6500 TCD



2014
9000 TCD



2020
9500 TCD

OUR MANAGEMENT



Mr. L.K. JHUNJHUNWALA

Chairman

He has been associated with the Company since inception as a Promoter and has been actively managing the affairs of the Company. He has been also associated with various industry associations, particularly in the sugar industry. He is the former President of the U.P. Sugar Mills Association and East U.P. Sugar Mill Association and the Past President of Associate Chamber of Commerce & Industry, U.P.



Mr. ADITYA JHUNJHUNWALA

Managing Director

He is responsible for the overall operations of the Company. He is actively associated with industry organizations and is the Vice-President of India Sugar Mills Association. He was the Past Chairman of the Eastern Zone (northern region) of Confederation of Indian Industries (CII) and also the ex- President of the Indian Small Hydro Power Association. He is also a Member of YPO.



Mr. SANJAY JHUNJHUNWALA

Joint Managing Director

Mr. Sanjay Jhunjhunwala is responsible for the overall operations of the Company. He is a Commerce graduate and has also completed his MBA from the University of Wales, Cardiff, UK. He has 16 years of experience in the sugar industry and has implemented modern management techniques, which have proved immensely beneficial to the Company. He is presently also actively engaged in the Finance and taxation of the company. He is, additionally, the Regional Director of the Entrepreneur Organisation of South Asia.



Mr. SUBHASH CHANDRA AGGARWAL

Executive Director

Mr. Subhash Chandra Aggarwal is a Science Graduate and Sugar Technologist from the National Sugar Institute, Kanpur (NSI), a very renowned institute of Asia in the field of Sugar Technology. He started his career from production lines and has worked for many renowned organizations. Due to his meticulous working, keenness about latest Technology, Development and Leadership, he joined Piccadilly Agro Industries as General Manager in 1997. He is now the Executive Director, since 2001, at KM Sugar. He is the key person who implements management policies and decisions, setting targets for outputs and ensuring their achievement. He is also involved in the planning and coordination of various departments of the organization.



Mr. S.K. GUPTA
Independent Director

Mr. S.K. Gupta is M.Sc. in Sugar Technology from ANSI and DIM from IGNOU. He served as Director at National Sugar Institute, Kanpur, Ministry of Food & Public Administration, New Delhi, and U.P. State Sugar Corporation. He also acted as an expert Advisor for the Study of Status of Sugar Status and suggested road map for its development. He was also awarded LIFE TIME ACHIEVEMENT AWARD by The Sugar Technologists Association of India.



Mrs. MADHU MATHUR
Independent Director

Mrs. Madhu Mathur has a vast experience of working with UNO and expert in Social Service. Presently, she provides critical suggestions on Corporate Social Responsibility matters.



Dr. SUSHIL SOLOMON
Independent Director

Dr. Sushil Solomon, a renowned Researcher and Educationist has been appointed as the 38th Vice-Chancellor of C.S. Azad University of Agriculture and Technology, Kanpur. He obtained Ph.D. in Micro/Bio-chemistry (1978) from PAU, Ludhiana and PGDBIM from Datamatic School of Management, Mumbai. He has also worked as Director, Indian Institute of Sugarcane Research, (ICAR), Lucknow. He also contributed more than 37 years in scientific research guidance, taught in the sugarcane and sugar Industry. Dr. Solomon has also been awarded the Fellow of Sugar Technologist Association of India, Fellow of International Association of Professionals in Sugar & Integrated Technology and Fellow of Indian Society of Agricultural Biochemists. He served as President of Society for Sugar Research and Promotion, Editor in Chief of Sugar Tech Journal, Executive Editor of IAPSIT and Sugar Tech News letters.



Mr. BIBHAS KUMAR SRIVASTAV
Independent Director

Shri Bibhas Kumar Srivastav has done M.Sc. (Agriculture) in Animal Husbandry and Dairy Science from Benares Hindu University, 1977 and Advanced Diploma in Management in 2015 from All India Management Association-Centre for Management Education, New Delhi. He is a Creative and passionate (retired) banker, dedicated to transferring professional experience through consultancy, teaching management and operating financial systems and social projects. He is committed to excellence in Consultancy, Management education, Banking, Finance and Risk Management and Financial Inclusion.

COMPANY INFORMATION



BOARD OF DIRECTORS

Chairman

Shri L. K. Jhunjhunwala

Whole Time Director

Shri Aditya Jhunjhunwala, Managing Director

Shri Sanjay Jhunjhunwala, Joint Managing Director

Shri Subhash Chandra Agarwal, Executive Director-cum-CEO

Non Executive and Independent Director

Shri S. K. Gupta

Smt. Madhu Mathur

Dr. Sushil Solomon

Shri Bibhas Kumar Srivastav

Chief Financial Officer

Shri Arvind Kumar Gupta

Company Secretary

Ms. Pooja Dua

Auditors

M/s. AGIWAL & ASSOCIATES

Chartered Accountants,

Lal Kothi, 2nd Floor, Pataudi House Road,

Above Bank of Baroda, Dariyaganj,

NEW DELHI - 110 002

Bankers

STATE BANK OF INDIA

PUNJAB NATIONAL BANK

Registered Office

11, Moti Bhawan, Collectorganj,

Kanpur - 208001 U. P.

Corporate Office & Works

Motinagar, Distt. Ayodhya - 224201 (U.P.)

It is our objective to put the values of our farmers, customers, employees and shareholders foremost and build a growth oriented and financially strong company by encouraging ideas, innovation, excellence and teamwork among the employees.



DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in placing the 48th Director's Report along with the Audited Statement of Accounts for the year ended on 31st March, 2021.

Financial Performance

The Financial performance of the Company during the year ended 31st March 2021 as under:

(₹ in Lakhs)

	Standalone		Consolidated	
	Year ended on 31st March,2021	Year ended on 31st March,2020	Year ended on 31st March,2021	Year ended on 31st March,2020
Profit before finance costs, depreciation and amortization and other comprehensive income	6009	6078	6009	6095
Less: Finance costs	1099	1786	1099	1787
Less: Depreciation and amortization expense	1487	1491	1487	1497
Profit before tax	3423	2801	3423	2811
Less: Tax expense	799	958	799	958
Profit for the year	2624	1843	2624	1853
Other comprehensive income (net of tax)	(13)	(10)	(13)	(10)
Total comprehensive income for the year	2611	1833	2611	1843
Earnings per equity share of Rs. 2/- each	2.85	2.00	2.85	2.01

Results of Operations and the State of Company's Affairs

For the year ended on 31st March, 2021, sales stood at Rs. 48,286.50 Lacs against the Rs.49,284.79 Lacs of previous financial year ended as at 31st March, 2020. During the financial year under review, the company has also done sugar export amounting to Rs.2415.48 Lacs against Rs.1598.78 Lacs in the previous financial year ended as at 31st March, 2020. Profit after finance costs and depreciation stood at Rs.3423 Lacs as against the profit of Rs.2801 Lacs in the previous year.

To serve the society to fight with Covid-19 Pandemic, your company started the manufacturing and selling of Sanitizer.

Dividend

Your directors have not recommended any dividend for the financial year ended 31st March 2021. The Board of Directors of the Company in their meeting held on 10.08.2021 have declared interim dividend for the year 2021-22 at the rate of 10% (ie. Rs. 0.20 per share of Rs. 2/- each) which shall be paid to shareholders as on record date of August 21, 2021.

Adoption of Ind-As

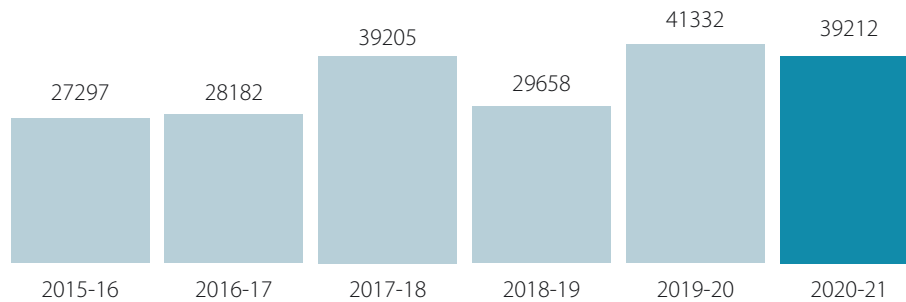
In accordance with the Companies (Indian Accounting Standards) Rules, 2015 the Company has adopted Ind-AS for preparation of financial statements with effect from April 01, 2017. The financial Statement for the year ended on March 31, 2021 has been prepared in accordance with the Indian Accounting Standard (IND AS) notified under Section 133 of the Companies Act, 2013 reads with Companies (Accounts) Rules, 2014. The estimates and judgment relating to the Financial Statement are made on a prudence basics, so as to reflect a true and fair manner, the form and substance of transaction and reasonably present the Company's state of Affairs, profits and cash flow for the year ended March 31, 2021. Accordingly, the figures for the previous year are comparable.

Performance of Divisions: - Sugar Division

The company has crushed 1,30,93,666.71 Lacs quintals of cane and the Sugar sale was Rs.39,212.91 lacs during the year under review as against Rs. 41,332.04 lacs during the previous financial year. The other details are as under:

	Year 31-03-2021	Year 31-03-2020
Gross Working days	159	152
Total Cane Crushed (qtls.)	1,30,93,666.71	1,13,05,289.06
Sugar Produced (qtls)	14,94,050	12,91,085
Average Recovery	11.43%	11.43%

Sugar Sales(In lacs)



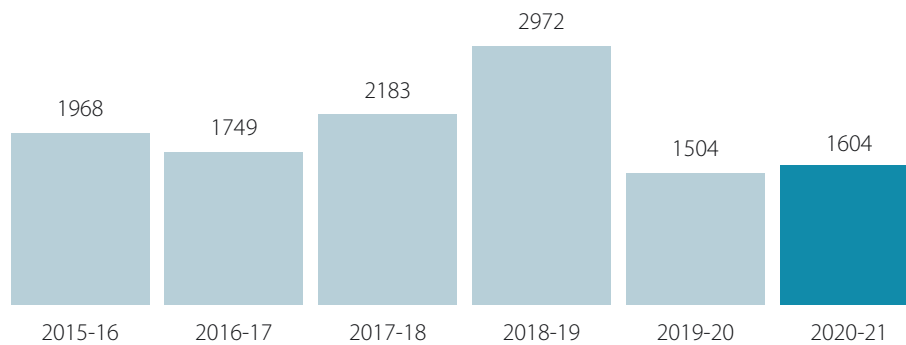
Co-Generation:

During the year under report, the company generated 9,00,06,070 KWH power and exported 5,28,24,138 KWH to UPPCL.

The other details are as under:

	Year 31-03-2021	Year 31-03-2020
Gross Working days	164	158
Produced (in KWH)	9,00,06,070	87945550
Exported(in KWH)	5,28,24,138	51333371.08
Sales(in lacs)	1603.63	1504.07

Power Sales(in lacs)



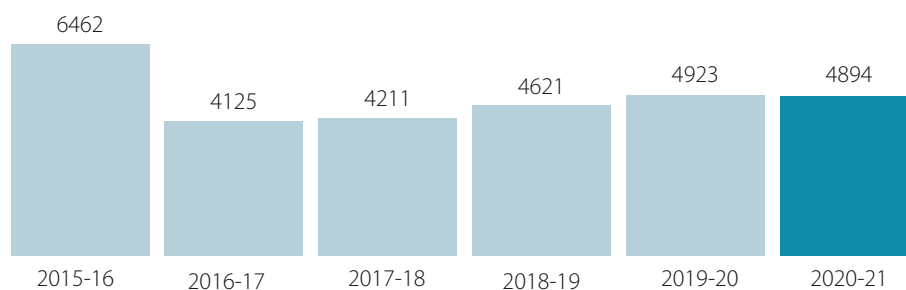
Distillery

During the year under report, Company Produced 137.97 Lacs BL of Rectified Spirit and 119.95 Lacs BL of ethanol.

The other details are as under:

Ethanol	Year 31-03-2020	Year 31-03-2020
Sales (Rs. in lacs)	4,894.06	4,923.52
Sales(BL in lacs)	110.49	113.00
Recovery Rate	23.11	20.97
Sanitizer		
Production (BL In lacs)	4.90	N.A
Recovery (%)	117.80%	N.A
Sale (BL In lacs)	4.68	N.A

Alcohol Sale(in lacs)



Auditors

At the 44th Annual General Meeting held on 28th September, 2017 the Members approved appointment of M/s. Agiwal & Co, Chartered Accountants, New Delhi as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 49th Annual General Meeting, subject to ratification of their appointment by Members at every Annual General Meeting, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every Annual General Meeting has been done away by the Companies (Amendment) Act, 2017 with effect from 07th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 48th Annual General Meeting of the company.

Auditors' Report

The comments on the statement of account referred to in the report of the auditors are self-explanatory, and explained in the appropriate Notes to the Accounts.

Secretarial Auditors

Ms. Pragati Gupta, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company for the year 2020-21 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit report for FY 2020-21 forms part of the Annual Report (Annexure to the Directors' Report in Form MR-3) as annexed as Annexure-8 to this report and carries no qualifications, reservations, adverse remarks or disclaimers, except regarding delay of 47 days in appointment of Independent Director, which is self-explanatory and hence no explanations are required.

The Board appointed Ms. Pragati Gupta, Practicing Company Secretaries (Membership no. ACS- 19302), as Secretarial Auditor of the Company for the financial year 2021-22.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Board on the recommendation of the Audit Committee has re-appointed M/s. Aman Malviya & Associates Cost Accountants, as Cost Auditors to conduct cost audits relating to sugar and industrial alcohol for the year ended 31st March, 2022.

Cost Accountants have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013.

The Cost Audit Report for the financial year March 31, 2021 did not contain any qualification, reservation, adverse remark or disclaimer.

Policy on Directors' appointment and remuneration

The Company seeks to maintain an appropriate mix of executive and independent directors in order to maintain the independence of the Board and segregate the functions of governance and management. The Board consists of professionally qualified individuals from diverse backgrounds with wide experience in business, education, finance and public service. As at year end, the Board consists of 8 directors, one of whom is executive Chairman, one is Managing Director,

one is Joint Managing Director, one Executive Director and four are Independent directors including one women director. Your Company, in compliance with section 178(1) of the Companies Act, 2013 read with The Companies (Meeting of Board and its Powers) Rules, 2014, has duly constituted a Nomination and Remuneration Committee. This committee is chaired by an independent director and formulates the criteria for determining qualifications, positive attributes, independence of a director and other matters.

Appointment and the remuneration of Board members, key managerial personnel or one level below the Board level is fixed on the basis of the recommendation of the Nomination and Remuneration Committee made to the Board, which may accept them, with or without modifications. The Company affirms that there has been no change in this policy and that the remuneration paid to directors is as per the terms laid out in this policy.

Disclosures pursuant to the requirements of section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been made in Annexure-9 of this Board Report

Induction & Changes in Directors

Shri Laksmikant Kant Jhunjhunwala, Shri Aditya Jhunjhunwala, Shri Sanjay Jhunjhunwala and Shri Subhash Chandra Agarwal are the whole time directors designated as Chairman, Managing Director and Joint Managing Director & Executive Director cum C.E.O.

Further, due to death of Shri H.P. Singhania, Independent Directors of the Company on 16th September, 2020 the vacancy was filled by the Appointment of Shri Bibhas Kumar Srivastav, Independent Directors of the Company on 01st February, 2021. The shareholders of the Company approved the appointment of Shri Bibhas Kumar Srivastav as Independent Director by passing an ordinary resolution at the Extra- Ordinary General Meeting of the company held on 10th March, 2021

The Board placed its heartfelt condolences on his demise and its deep gratitude on record for their valuable guidance, advice and suggestions to the Company during their association with the Company.

Shri S.K. Gupta, Smt. Madhu Mathur, Shri Sushil Solomon and Shri Bibhas Kumar Srivastav are the Non-Executive Independent Directors of the Company.

In accordance with the provisions of Section 152 of the Act read with Article XIX of the Articles of Association of the Company, Shri Laksmikant Kant Jhunjhunwala and Shri Aditya Jhunjhunwala will retire by rotation at the ensuing AGM and being eligible, offer themselves for reappointment. The Board has recommended their reappointment.

Public Deposits

During the financial year ended 31-03-2021, the company has not accepted any public deposits.

Global Pandemic - Covid-19

The COVID-19 pandemic remains a health and humanitarian crisis, but the business impact on organizations is now profound. As

governments make significant interventions in response to the coronavirus, businesses are rapidly adjusting to the changing needs of their people, their customers and suppliers, while navigating the financial and operational challenges.

The company is periodically reviewing possible impact of COVID-19 on its business and the same are considered in preparation of financial statements for the year ended 31st March, 2021. Review includes internal & external factors as known to the company up to the date of approval of these financial statements to assess and finalize the carrying amounts of its assets & Liabilities

Listing Fees

The equity shares of the company are listed with the Bombay Stock Exchange Limited and National Stock Exchange Limited and listing fees for 2021-22 had been duly paid.

Directors' Responsibility Statement

In pursuance of sub-section (5) of Section 134 of the Companies Act, 2013, in respect of Directors' Responsibility Statement, the Board of Directors confirms:

(i) That in the preparation of the annual accounts for year ended on March 31, 2021 the applicable accounting standard have been followed by the Company.

(ii) That the directors of the company have selected such accounting policies, applied them consistently, 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 profit of the Company for the year ended on that date.

(iii) That the directors of the Company have taken proper and sufficient care for the maintenance of adequate accounting in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the company and for detecting fraud and other irregularities; and

(iv) That the directors of the Company have prepared the annual accounts on a going concern basis.

(v) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) That 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.

Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

Audit Committee and Vigil Mechanism

Pursuant to requirement of section 177(1) of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 and Regulation 22 of SEBI (LODR) Regulation 2015, your Company has already formed the Audit Committee, composition of which is covered under Corporate Governance report section of this Annual Report.

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Agreement, includes appointment of a Whistle Officer who will look into the matter, conduct detailed investigation and take appropriate disciplinary action. The Company has formulated a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management their genuine concern about behavior of employees, the details of which are incorporated in the report on the corporate governance. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Whistle Blower Officer or to the Chairman of the Audit Committee. During the year under review, no employee was denied access to Whistle Blower Officer or Audit Committee and no cases under this mechanism were reported in the company and any of its subsidiary / associates.

The Policy on vigil mechanism and whistle blower policy has been uploaded on the Company's website at the link: <http://www.kmsugar.com>.

Annual Return

The Annual Return of your Company is available in form MGT-9 on its corporate website at <http://kmsugar.com/pdf/MGT-9%20kmsml2021.pdf>

Internal Financial Controls

The Company has adequate internal financial controls taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Risk Management

The Company aims to have a formalized and systematic approach for managing risks across the Company. It encourages knowledge and experience sharing in order to increase transparency on the key risks to the Company to the extent possible. This approach increases risk awareness, and ensures proper management of risks as part of the daily management activities.

The objective of the Company's risk management process is to support a structured and consistent approach to identify, prioritize, manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several initiatives for risk management including the introduction of audit functions and processes to identify and create awareness of risks, optimal risk mitigation and efficient management of internal control and assurance activities.

Corporate Social Responsibility

The Company constituted a Corporate Social Responsibility (CSR) Committee (for details please refer Corporate Governance Report) pursuant to the requirement of Section 135(1) of Companies Act, 2013. The CSR policy of the Company, inter-alia, list the activities that can be undertaken or supported by the Company for CSR, composition and meetings of CSR committee, annual allocation

for CSR activities, area of CSR projects, criteria for selection of CSR, modalities of execution / implementation of CSR activities and the monitoring mechanism of CSR activities / projections. During the year under report, the Company spent Rs.2,56,34,116/- towards CSR as against its obligation Rs. 59,58,001/- The details of CSR activities undertaken by the company are mentioned in the prescribed format in the Annexure -4 to this report. The Company has aligned CSR Policy in line with the changes made effective from January 22, 2021 in Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014 and made Annual Action Plan for the year 2021-22.

Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure -1.

Research and Development

The details relating to Research and Development activities carried out by the company during the year are stated in annexure to this report.

Foreign currency risk and Commodity price risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts. The company does not have substantial transactions during the year in foreign currency so the company does not have such kind of risk.

Sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affects profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

Particulars of Employees

The disclosure as required under the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company has been given in Annexure-2 and forms part of this Report.

Corporate Governance

As required under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, a separate section on Corporate Governance forming part of the Directors' Report and the certificate from Practicing Company Secretary, CS Pragati Gupta, confirming the compliance of the conditions on Corporate Governance is attached as Annexure-3 to this report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the business and operations of the company is attached to this annual report.

Industrial Relation

The industrial relations have been cordial at all plants of the Company during the year.

Subsidiary Company

Your Company has a subsidiary company viz. M/s. KM Spirits and Allied Industries Limited incorporated on 23-02-2018 to manufacture of all types of spirits. Your Company had made a total investment of Rs. 5.00 Lacs in the Company. In terms of proviso to section 139(3) of the Companies Act, 2013, the salient features of the financial statements of the subsidiary is set out in the prescribed form (AOC-1) under Rule-5 of the Companies (Accounts) Rules, 2014 as Annexure-6. Your Company's Policy for determination of a material subsidiary, as adopted by your Board, in conformity with Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, can be accessed on your Company's corporate website at www.kmsugar.com. The Company does not have any material subsidiary. The Minutes of Board Meetings of the subsidiary companies and details of significant transactions & arrangements entered into by them are placed before the Board of Directors of the Company. The annual financial statements of the subsidiary companies are reviewed by the Audit Committee of the Company. Performance review reports of subsidiaries are also placed before the Board of Directors of the Company on a half-yearly basis.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company including the consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company. The Company will make available the annual report of subsidiary Company upon request by any shareholder of the Company interested in obtaining the same.

Consolidated Financial Statement

In accordance with the provisions of the act and listing regulations read with Ind AS-110-consolidated financial statement, Ind AS-28-investments in associates and joint ventures and Ind AS-31-interests in joint ventures, the Company has prepared consolidated financial statement for the year ended at March 31, 2021.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company including the consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company. The Company will make available the annual report of subsidiary Company upon request by any shareholder of the Company interested in obtaining the same.

Number of Meetings of the Board

The Board met six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Attributes, Qualifications & Independence of Directors and their Appointment

The Nomination and Remuneration Committee, adopted the criteria

for determining qualifications, positive attributes and independence of Directors, including Independent Directors, pursuant to the Act and the Rules thereunder. The Corporate Governance Policy, inter alia, requires that Non-Executive Directors be drawn from amongst eminent professionals, with experience in business/finance/law/public administration and enterprises. The Board Diversity Policy of your Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. The skills, expertise and competencies of the Directors as identified by the Board along with the names of directors who have such skills / expertise / competence, are provided in the Report on Corporate Governance forming part of the Report and Accounts. The Articles of Association of your Company provide that the strength of the Board shall not be fewer than three nor more than fifteen. Directors are appointed/re-appointed with the approval of the Members for a period of three to five years or a shorter duration, in accordance with retirement guidelines and as may be determined by the Board from time to time. All Directors, other than Independent Directors and Managing Director are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

Details of the Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees is provided in the Report on Corporate Governance forming part of the Report and Accounts.

Familiarisation Programme For Directors

The Company believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment, and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. Visits to Company facilities are also organised for the Directors.

Declaration by Independent Directors

As per the requirement of section 149(7), the Company has received a declaration from every Independent Director that he or she meets the criteria of independence as laid down under section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rule, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Independent Directors of your Company have confirmed that (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations 2015, (b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence and (c) they have registered their names in the Independent Directors' Databank. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Listing Regulations 2015 and are

independent of the management of the Company. The Independent Directors met once that is on 12th June, 2020. The Meeting was conducted without the presence of the Chairman, Executive Directors and any other Managerial Personnel.

Annual Performance Evaluation

Pursuant to the requirements of Section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of the listing regulations, the Nomination and Remuneration Committee, as reported in earlier years, formulated the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation, and also specified that such evaluation will be done by the Board, pursuant to the Act and the Rules thereunder and the Listing Regulations 2015. In keeping with Company's belief that it is the collective effectiveness of the Board that impacts Company's performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board performance is assessed against the role and responsibilities of the Board as provided in the Act and the Listing Regulations 2015 read with the Company's Governance Policy. The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc., which is in compliance with applicable laws, regulations and guidelines. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairman with the Chairman of the Nomination and Remuneration Committee, who in turn shared the consolidated report with Chairman of the Board for his review and giving feedback to each Director. A structured questionnaire was prepared after taking in to consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process. Reports on functioning of Committees were placed before the Board by the Committee Chairman. The Independent Directors also reviewed the performance of the non-Independent Directors and the Board, pursuant to Schedule IV to the Act and Regulation 25 of the Listing Regulations 2015.

Committees of the Board

Currently, the Board has 5 committees. A detailed note on the Board and its committees is provided in the Corporate Governance Report section of this Annual Report. The composition of the committees and compliances, as per applicable provisions of the Act and Rules, are as follows:

Name of the committee	COMPOSITION OF THE COMMITTEE*	Highlights of duties, responsibilities and activities
Audit committee	Shri S.K Gupta- Chairman Smt. MadhuMathur- Member Shri SanjayJhunjunwala- Member	<ul style="list-style-type: none"> All recommendations made by the committee during the year were accepted by the Board. The Company has adopted the Whistle Blower Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud. The Company has formed the Related Party Transaction Policy.
Nomination and remuneration committee	Shri S.K Gupta- Chairman Smt. MadhuMathur- Member Shri Sushil Solomon- Member	<ul style="list-style-type: none"> Committee oversees and administers executive compensation. All recommendations made by the committee during the year were accepted by the Board.
Stakeholders relationship committee	Shri S.K Gupta- Chairman Smt. Madhu Mathur- Member Shri Aditya Jhunjunwala- Member	<ul style="list-style-type: none"> The Committee reviews and ensures redresses of investor grievances. The committee noted that the grievances of the investors reported during the year, if any.
Corporate social responsibility committee	Shri L.K Jhunjunwala- Chairman Shri Sanjay Jhunjunwala- Member Shri S.K. Gupta- Member	<ul style="list-style-type: none"> The Board as laid down the Company's policy on Corporate Social Responsibility (CSR). The CSR policy is uploaded on Company website, www.kmsugar.com
Finance Committee	Shri Aditya Jhunjunwala- Chairman Shri Subhash Chandra- Agarwal- Member Shri S.K. Gupta- Member	<ul style="list-style-type: none"> The committee review's the Company's proposed capital budget The committee review's company's Finances, Investments, requirement of fund and liaisoning with Bankers with the power to approve the new limits of the company as sanctioned by Bankers of the company etc.

*The Board approved the changes in the composition of Committee:-

-Audit Committee w.e.f. 10-08-2021 – Mrs. Madhu Mathur was replaced by Mr. Bibhas Kumar Srivastav.

-CSR Committee w.e.f. 10-08-2021 – Mr. S.K Gupta was replaced by Mr. Sushil Solomon.

Particulars of Loans, Guarantee or Investments

As per the requirement of section 186(4) of Companies Act, 2013, particulars of loans given, investments made, guarantees given or securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the note number 36.8(c) to the financial statements. The Company is in compliance with the limits as prescribed under Section

186 of Companies Act, 2013 read with rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014.

The Members have approved the limits under section 186(3) of Companies Act, 2013 read with rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014, (i) to the extent of Rs. 400.00 Cr or (ii) 60% of the aggregate of the paid-up share capital and free reserves and securities premium account or (iii) 100% of its free reserves and securities premium account, whichever is higher..

Particulars of contracts or arrangements with Related Party

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year,

the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 at Annexure – 7, in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is put up on the Company's website and can be accessed at <https://www.kmsugar.com>. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

The disclosures as required under Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in accordance with Ind AS 24 in the note number 36.8(c) to standalone and consolidated financial statements.

Key Financial Ratios

Key Financial Ratios for the financial year ended 31st March, 2021 along with details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, and the detailed explanations, are provided in Management Discussion and Analysis Report forming part of this report.

Acknowledgement

Yours Directors place on record their acknowledgement and sincere appreciation of all the bankers and financial institutions for their continued assistance. They further appreciate and acknowledge with gratitude the co-operation and assistance received from all executives, staff and workmen of the Company.

**For and on behalf of the Board
of K. M. Sugar Mills Ltd.**
-Sd/-

L. K. hunjhunwala
Chairman

Date: 10.08.2021
Place: Lucknow

Annexure- 1

Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

PARTICULARS	STEPS TAKEN BY THE COMPANY 2020-21
(i) The steps taken or impact on conservation of energy	<p>The company has taken various steps towards energy conservation. The company continues to give high priority to the conservation of energy on an ongoing basis. The details of steps taken are listed below:</p> <ol style="list-style-type: none"> 1. Erection of B-Heavy molasses conditioner to save steam. 2. Erected new Sulphur Burner of 400kg/charge with heat recovery unit to save steam. 3. The company has made modification in incineration boiler to use maximum slope in boiler resulting in saving of fuel. 4. Installation of solar lights in the cane purchase centre. 5. Addition of variable frequency drives have been made for reduction of electrical energy consumption. 6. USE of CDL and LED lights is being encouraged for reduction in power consumption. 7. Gradual replacement of inefficient geared pumps with screw pumps/high flow pumps for electrical energy efficiency.
(ii) The steps taken by the company for utilizing alternate sources of energy.	Company has bagasse based generation power plant which is used for captive consumption and surplus power is being sold to U P Power Corporation Limited
(iii) The capital investment on energy conservation requirements during the year 2020-21 was	Rs.40.0 Lakhs approx. During 2020-21 Apart from this, The company makes investment wherever required for conservation of energy. The company has continuous process to monitor and explore ways and means for conservation of energy.

Form B

I. Disclosure of particulars with respect to Technology Absorption Research & Development (R&D)

Technology absorption, adaptation and innovation:

(i) The company carried on following sugarcane development activities during the financial year 2020-21:

- Distribution of new improved and high sugar varieties of cane seed.
- Inter cropping with sugar cane for additional income of cane growers.
- Distribution of quality agri inputs for improving the soil health and growth of sugarcane.
- Ratoon crop management and gap filling for helping increase ratoon yield.
- Popularizing use of trash mulcher to mix the trash in soil for quick decomposition in soil, which will improve the soil health
- Popularization of sugar cane planting at 4 feet distance for improving crop growth, yield and recovery

(ii) Due to above efforts it is expected that higher yield and disease free cane will be available to the company and the Multi-cropping also helps to farmers to get more income.

(iii) The company has not imported any technology.

2. (i) Expenditure incurred on Research & Development: Nil

(ii) Foreign Exchange earnings & Outgo

		Year 2020-21	Year 2019-20
i)	Foreign exchange earned in terms of actual inflows	Rs.2415.48	Rs.1598.78
ii)	Foreign Exchange outgo in terms of actual outflows	Rs.69.33	Rs.163.10

Annexure- 2

Information pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 Companies (Appointment and Qualification of Directors) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2021.

A. Employed throughout the financial year and were in receipt of remuneration in aggregate of not less than Rs. 1,02,00,000/- per annum.

Sl	Name	Age Yrs	Designation	Qualification	experience (in years)	Date of commencement of employment	Remuneration Rs. In Lacs	Previous employment
1	Shri L.K Jhunjhunwala	78	Chairman	BA	47	19.09.2015	181.22	-
2	Shri Aditya Jhunjhunwala	50	Managing Director	B.COM	26	19.09.2015	200.36	-
3	Shri Sanjay Jhunjhunwala	45	Joint Managing Director	MBA	22	19.09.2015	110.61	-

B. Employed for part of the financial year and were in receipt of monthly Remuneration of not less than Rs. 8,50,000/-.

Sl	Name	Age Yrs	Designation	Qualification	experience (in years)	Date of commencement of employment	Remuneration Rs. In Lacs	Previous employment
				NIL				

Annexure- 3

Report on Corporate Governance

Pursuant to Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company formulated the policies, procedures and processes on Corporate Governance for the best practices and institutionalizing the code of corporate governance.

This Report is furnished in terms of Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Auditors' certificate on Corporate Governance as prescribed is also attached. Further, this Report also discloses relevant information in terms of Section 134(3) of the Companies Act, 2013 and forms an integral part of the Board's Report to shareholders.

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

1. Company 'S Philosophy on Code Of Governance:

- Transparency in policies and action.
- Maximizing long term shareholders' value
- Socially valued enterprise and
- Commitment to excellence and customer satisfaction
- Independence to develop and maintain a healthy work culture.
- Growth for stakeholders.
- Caring for people and environment.
- Accountability for performance.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics.

The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

Your company, since its inception, being always guided by ethical principles and being transparent and fair in its business dealings and administration, have adequate system of control and check in place to ensure that the executive decisions should result in optimum growth and development.

2. Board of Directors

Name of Director	Category	No. of other director ships (Public Limited Company)	Names of the listed entities where the person is a director and the category of directorship	No of membership of other Board committee	No. of Board Meeting Attended	Attendance at last AGM
1-Shri L.K. Jhunjhunwala	Promoter, Executive	-	-	1	6	No
2-Shri Aditya Jhunjhunwala	Promoter, Executive	3	-	2	6	Yes
3-Shri Sanjay Jhunjhunwala	Promoter, Executive	3	-	2	6	Yes
4-Shri S. C. Agarwal	Independent, Executive	1	-	1	5	Yes
5- Shri S. K. Gupta	Independent, Non-Executive	-	-	5	6	Yes
6-Smt. Madhu Mathur	Independent, Non-Executive	-	-	3	6	Yes
7-Shri Sushil Solomon	Independent, Non-Executive	-	-	1	6	Yes
8-Shri Bibhas Kumar Srivastav	Independent, Non-Executive	-	-	-	1	No

Independent Directors

a) The number of Independent Directors is the half of the total strength. Any reduction in the strength of Independent Directors is filled within 3 months or the next Board meeting, whichever is later, for ensuring minimum stipulated strength of Independent Directors

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

Pursuant to the Listing Regulations of SEBI (LODR) Regulations, 2015 the Board has laid down a Code of Conduct for all Board members and Senior Management of the Company and the same uploaded on the website of the Company (www.kmsugar.com). All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of the Company. As at year ended on 31st March, 2021, the board consists of eight directors; out of which four are executive directors and four are non- executive directors. Executive directors consist of Chairman, Managing Director, Joint Managing Director, and Chief Executive Office -cum- independent executive director. The present mix of the Board of the Company is as under:

- Three Promoters, Executive Directors
- One non Promoter, Executive Director
- Four Independent, Non- Executive Directors

The composition of the Board of Directors, as on 31st March, 2021, the number of other board of directors or Board committees of which they are member or chairperson and the attendance of each director at these board meetings and the last Annual General Meeting are as under:

in the Board.

b) Independent directors are appointed for a tenure of 5 years taking into account the transitory provisions u/s 149(11) of the Act. They would be eligible for one more term on passing of a special resolution by members. No independent director of the Company

serves in more than 7 listed companies as Independent Director.

c) Pursuant to Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company formulated a familiarization programs available at the web link www.kmsugar.com for Independent Directors with the objective of making them familiar with their role, rights & responsibilities, nature of the industry, business model and compliance management.

A statement, in connection with fulfilling the criteria of Independence and directorships as per the requirement of the provisions of the Act and Regulation 25 of Listing Regulations received from each of Independent Directors, is disclosed in the Board's Report. Terms and Conditions for appointment of Independent Directors are available on the website of the Company at www.kmsugar.com.

Confirmation by the Board for the independent Directors:-

All the Independent Directors furnished their declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming that they met the criteria of independence as provided in sub-section (6). The independent directors fulfill the conditions specified in the listing regulations and are independent of the management

Board Meetings: -

During the year ended on 31st March, 2021, Six Board meetings were held on 29.04.2020, 12.06.2020, 10.08.2020, 31.08.2020, 10.11.2020 and 11.02.2021. The details are as follows:-

Date of Board Meeting	Board Strength	Directors Present
29.04.2020	8	6
12.06.2020	8	8
10.08.2020	8	8
31.08.2020	8	8
10.11.2020	7	7
11.02.2021	8	8

Core skills/expertise/competencies identified by the board:-

The Practice of Corporate Governance in K M Sugar Mills Ltd takes place in three interlinked levels:-



Nomination and Remuneration Committee while considering the appointment of any person as Director and KMP ensure that he/she possess the skills as required for the efficient functioning of the Company and all other qualifications as prescribed under Listing Regulations and the Act and also such other skills, positive attributes etc. which may be fruitful in enhancing the growth of Company, which is then recommended to Board for their approval

S. No	Name of Director and KMP	Category	List of core skill expertise and competence
1	Shri L.K. Jhunjunwala	Promoter, Executive	Strategic supervision
2	Shri Aditya Jhunjunwala	Promoter, Executive	Strategic supervision, Policy Making, Business Management and Leadership.
3	Shri Sanjay Jhunjunwala	Promoter, Executive	Strategic supervision, Management and Leadership.
4	Shri S. C. Agarwal	Independent, Executive- cum-CEO	Strategic Management and implementation.
5	Shri S. K. Gupta	Independent, Non-executive	Strategic Management, Finance and Accounting
6	Smt. Madhu Mathur	Independent- Non-Executive	Strategic Management and Leadership and Finance
7	Shri Sushil Solomon	Independent- Non-Executive	Policy Implantation Guidance, Business Plans and leadership
8	Shri Bibhas Kumar Srivastav	Independent- Non-Executive	Banking, Finance & Economics
9	Shri Arvind Kumar Gupta	Chief Financial Officer	Implementation of Financial and Accounting Methodologies and control
10	Ms. Pooja Dua	Company Secretary-cum- Compliance Officer	Compliance Management and its implementation

Board Committees

The company has five committees- the Audit Committee, the Nomination and Remuneration Committee, Stakeholders Relationship Committee Corporate Social Responsibility Committee and the Finance Committee. The Company Secretary of the Company acts as the Secretary to all the Committees.

The quorum for the meetings is either two or one-third of the members of the committees, whichever is higher.

Audit Committee

The Audit Committee comprises of three directors out of which

S. No	Name of the Member	Position	Category
1	Shri S. K. Gupta	Chairman	Non-Executive Independent Director
2	Smt. Madhu Mathur*	Member	Non-Executive Independent Director
3	Shri Sanjay Jhunjhunwala	Member	Promoter Executive Director

* Replaced Smt. Madhu Mathur with Mr. Bibhas Kumar Srivastav w.e.f 10.08.2021

Terms of Reference and Powers:

All the members of the Committee have sound knowledge of finance and accounts. The terms of reference and powers of the audit committee covers areas mentioned under Regulation 18 SEBI (LODR) Regulations, 2015 and section 177 of the Companies act, 2013 (hereinafter referred as "the act"). The Committee observes the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- Recommends the appointment and removal of external auditor, fixing audit fees and also approval for payment for any other services.
- Reviews the quarterly, half yearly annual financial statements with the management before submission to the Board.
- Reviews the external and internal auditors, and adequacy of internal control system with the management.
- Reviews the adequacy of internal audit function 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.
- Reviews the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud.
- Discussion with External Auditors before the commencement of Audit about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Review of company's financial risk management policies also to look into the reasons for substantial defaults in payments to depositors, shareholders and creditors.

Meetings and Attendance:-

During the year ended on 31st March, 2021, Six committee meetings were held on 29.04.2020, 12.06.2020, 10.08.2020, 31.08.2020, 10.11.2020 and 11.02.2021.

two are Non-Executive Independent Directors and one is Promoter - Executive Director. Due to demise of Shri HP Singhania, his Chairmanship/membership in the committee was withdrawn w.e.f 16th September, 2020 and thereafter Shri S K Gupta Independent Non-executive Director of the Company was appointed as the Chairman of the Committee in the Meeting of Audit Committee held on 10th November, 2020. The Company Secretary acts as the Secretary of the committee. The Chief Financial Officer, the External and Internal Auditors are the regular invitees. The Composition of the Audit Committee meets the requirement of the Regulation 18 of SEBI (LODR) Regulations, 2015 and the provisions of the Companies Act 2013.

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri S. K. Gupta	Chairman	6
2	Smt. Madhu-Mathur	Member	6
3	Shri Sanjay Jhunjhunwala	Member	6

Nomination and Remuneration Committee

The Remuneration Committee comprises of three directors, and all the three directors are non-executive independent directors. Shri H. P. Singhania acted as the chairman of the committee. Due to demise of Shri HP Singhania, his Chairmanship/membership in the committee was withdrawn w.e.f 16th September, 2020 and thereafter Shri S K Gupta Independent Non-executive Director of the Company was appointed as the Chairman of the Committee in the Meeting of Nomination and Remuneration Committee held on 10th November, 2020. Shri. Sushil Solomon was appointed as the member of the committee in the Board Meeting of the company held on 10th November, 2020. During the year ended on 31st March 2021, five committee meetings were held on 29.04.2020, 12.06.2020, 10.08.2020, 10.11.2020 and 11.02.2021. The details are as follows:

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri S. K. Gupta	Chairman	6
2	Smt. Madhu-Mathur	Member	6
3	Shri Sushil Solomon	Member	2

*Shri. Sushil Solomon was appointed as the member of the committee w.e.f 10th November, 2020.

Performance Evaluation criteria for Independent directors

The performance evaluation of the Independent Directors was carried out by the entire Board on various criteria on the basis of specific duties performed, obligations and governance, level of engagement and contribution, independence of judgement, safeguarding the interest of the Company. The manner in which the annual performance evaluation is done by the Board including the criteria for the same is discussed in detail in Directors Report.

Stake Holders' Relationship Committee

The Stake Holders' Relationship Committee comprises of three directors out of which one is executive and two are non-executive Independent Directors.

The Stake Holders' Relationship Committee looks after the cordial investor relations and oversees the various aspects of the shareholders and resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. Reviews the measures taken for effective exercise of voting rights by shareholders, reviews the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company and are placed at the Board Meeting from time to time.

Besides, it monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Due to demise of Shri HP Singhania, his Chairmanship/membership in the committee was withdrawn w.e.f 16th September, 2020 and thereafter Shri S K Gupta Independent Non-executive Director of the Company was appointed as the Chairman of the Committee in the Meeting of Stake Holders' Relationship Committee held on 10th November, 2020.

During the year ended on 31st March, 2021, four committee meetings were held on 12.06.2020, 10.08.2020, 10.11.2020 and 11.02.2021. The details are as follows

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri S. K. Gupta	Chairman	4
2	Smt. Madhu Mathur	Member	4
3	Shri Aditya Jhunjunwala	Member	4

Remuneration of directors

The remuneration as applicable to executive/non-executive directors provides for the following:

Non-Executive Directors

The remuneration to the non-executive directors is decided and approved by the Board of Directors of the Company unanimously. The sitting fees payable to the Non- Executive Directors was Rs. 20,000/- for each Board meeting and Rs. 5,000/- for each Committee meeting. There is no pecuniary relationship or transactions between the non-executive directors and the listed entity. The criteria of making payments to non-executive directors disseminated on the www.kmsugar.com.

Executive Directors

The Executive Directors are paid remuneration as decided and recommended by the Nomination and Remuneration Committee to the Board of Directors and approved by the Shareholders of the Company.

On the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on April 29, 2020 has approved the change in terms including remuneration and perquisites payable to them for the financial year ended at 31st March 2020 as well as for remaining term of appointment. In terms of the provisions of section 196, 197 read with schedule V of the Companies Act, 2013, the approval of the members by the way of special resolution was obtained in the 47th Annual General Meeting of the company.

The remuneration paid to the directors during the year ending on 31st March, 2021 in the Annual Return of your Company is available on its website at <http://kmsugar.com/pdf/MGT-9%20kmsml2021.pdf>

Service Contract, Severance Fee and Notice Period

The appointment of the Chairman, Managing Director, Jt. Managing Director and Executive Director is for a term of Five Consecutive years and is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. A separate Service Contract is not entered into by the Company with those elevated to the Board. Letters of appointment have been issued by the Company to the Independent Directors, incorporating their roles, duties, and responsibilities etc., which have been accepted by them. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. The statutory provisions will however apply. With respect to notice period of Directors, the statutory provisions will also apply.

Employee Stock Option Schemes

The Company has not granted any Stock Option Schemes during the financial year.

Corporate Social Responsibility Committee:

The company has a CSR Committee and formulated a CSR policy and has been pursuing the objects as mentioned u/s 135 in schedule VII. The Committee comprises of three directors out of which two are executive and one is non-executive Independent Directors.

During the year ended on 31st March, 2021, four committee meetings were held on 12.06.2020, 10.08.2020, 10.11.2020 and 11.02.2021. The details are as follows :

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri L.K. Jhunjhunwala	Chairperson	3
2	Shri Sanjay Jhunjhunwala	Member	3
3	Shri S. K. Gupta*	Member	3

* Replaced Mr. S.K Gupta with Mr. Sushil Solomon w.e.f 10.08.2021

Finance Committee:

During the year ended on 31st March, 2021, two committee meetings were held on 28.12.2020 and 25.01.2021. The details are as follows:

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri Aditya Jhunjhunwala	Chairperson	2
2	Shri S. C. Agarwal	Member	2
3	Shri S. K. Gupta	Member	2

Circular Resolution

The Company has passed resolution by circulation during the year under review on 01st February, 2021 for the appointment of shri Bibhas Kumar Shrivastav, which was confirmed and adopted in the Board Meeting held on 11th February, 2021.

General Body Meeting

Day, date, time and venue of the Annual General Meeting

Day & Date: Wednesday, 29th September, 2021

Time: 11.00 AM

Venue: Through video conferencing (VC) or other audio visual means (OAVM)

Dates of Book Closure:

From 23rd September, 2021 to 29th September, 2021, both days inclusive.

Location and time, where last Annual / Extra Ordinary General Meetings were held during last 3 years is given below:-

Financial Year	Day & Date	Location	Time	AGM/ EGM
2017-18	28.09.2018	Regd. Office- 11-Moti Bhavan, Collector Ganj, Kanpur-208001	11.00 a.m.	AGM
2018-19	20.08.2019	Regd. Office- 11-Moti Bhavan, Collector Ganj, Kanpur-208001	11.00 a.m.	AGM
2019-20	10.09.2020	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	AGM
2020-21	10.03.2021	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	EGM

Special resolutions passed in General Meetings during last 3 years: -

Date	AGM/EGM		Particulars
28th September, 2018	AGM		N/A
20th August, 2019	AGM	1	Change In Terms and Re-Appointment of Shri L.K. Jhunjhunwala (Din: 01854647) as a Whole Time Director Designated as Chairman of the Company
		2	Change In Terms And Re-Appointment of Shri Aditya Jhunjhunwala, (Din: 01686189) as Managing Director
		3	Change In Terms And Re-Appointment of Shri Sanjay Jhunjhunwala (Din: 01777954) as a Joint Managing Director
		4	Change In Terms And Re-Appointment of Shri Subhash Chandra Agarwal, (Din: 02461954) as a Executive Director
		5	Continuance of Shri H.P. Singhania (Din – 00141096) as Independent Director Of The Company
		6	Re-Appointment of Mr. H.P. Singhania (Din – 00141096) as an Independent Director :Special Resolution
		7	Re-Appointment of Mr. S.K. Gupta (Din – 01995658) as an Independent Director
		8	Re-Appointment of Mrs. Madhu Mathur (Din No. 07196895) as an Independent Director
		9	Investments / Give Loans or Guarantees / Provide Security Up-to an Aggregate Amount Not Exceeding Rs. 200.00 Crores Outstanding at Any Time
		10	Investment In Sonar Castings Limited And Issue Of Corporate Guarantee For Securing Credit Facilities To Sonar Castings Limited
10th September, 2020	AGM	1	To approve the change in terms of appointment of Shri L.K. Jhunjhunwala (DIN: 01854647) as a Whole Time Director designated as Chairman of the Company
		2	To approve the change in the terms of appointment of Shri Aditya Jhunjhunwala, (DIN: 01686189) as Managing Director of the Company
		3	To approve the change in the terms of appointment of Shri Sanjay Jhunjhunwala (DIN: 01777954) as a Joint Managing Director of the Company
		4	To authorize the Board to make investments / give loans or guarantees / provide security up-to an aggregate amount not exceeding Rs. 400.00 Cr outstanding at any time
		5	To approve the change the object clause of Memorandum of Association of the company
		6	To adopt the new Memorandum of Association of the company as per Companies Act, 2013
10th March, 2021	EGM	1	Contribution to any national, charitable, social, benevolent, public Funds
		2	To approve the investment in Sonar Castings Limited

Postal Ballot

No resolution was passed through postal ballot during the year under review. Further there was no special resolution passed during last year through postal ballot.

Means of Communication

The quarterly and annual results of the Company are published in prominent newspapers viz. The Financial Express and Rashtriya

Sahara. The results are communicated to the stock exchanges, immediately after approval of the Board. The Company has its website www.kmsugar.com, which provides the Comprehensive details of the operations of the Company. The management discussion and analysis report forms a part of the annual report.

Intimation of Board meeting - The Company publishes Notice of Board Meeting to consider financial results in newspapers. The given below is the details of publishing of quarterly results of the Company-

	Date of Publication of Notice of Board meeting	Financial Results		Newspaper
		Date of approval by Board	Date of Publication	
Quarter ended 30.06.2020 (Un-audited)	05.08.2020	10.08.2020	11.08.2020	Financial Express ; Rashtriya Sahara
Quarter ended 30.09.2020 (Un-audited)	04.11.2020	10.11.2020	12.11.2020	Financial Express ; Rashtriya Sahara
Quarter ended 31.12.2020 (Un-audited)	05.02.2021	11.02.2021	12.02.2021	Financial Express ; Rashtriya Sahara
Quarter and Year ended 31.03.2021(Audited)	01.06.2021	08.06.2021- Due to Covid-19	09.06.2021	Financial Express ; Rashtriya Sahara

* Publication arranged

The results published also show as footnote relevant additional information and/or disclosures to the investors. Financial results were uploaded on concerned site of Stock Exchanges (BSE/NSE) within stipulated time period after the conclusion of the Board meeting.

Website

The Company maintains a functional website www.kmsugar.com that contains relevant information updated in time and complies with SEBI (LODR) Regulations, 2015.

Whistle Blower Mechanism

Pursuant to Section 177 (9) of the Act read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has established a vigil mechanism overseen by the Audit Committee. This has been uploaded in the Company's website. No complaint under this facility was received during the period under review. Further, in pursuit to maintain the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting of instances of conduct which is in conformity with its Code. The Company formulated a Whistle Blower policy wherein the employees are free to report violations of law, rules, regulations, unethical conduct, misuse of authority, financial irregularities etc. by way of e-mail directly to the Chairman of Stakeholder Relationship Committee. The whistle blowers may also have direct access to the Chairman of Audit Committee.

The Whistle blower policy aims at:

- Encouraging the directors and employees to feel confident in raising serious concerns.
- Providing ways for the directors and employees to raise their concerns and get feedback On the concerns raised by them.
- Ensuring that the directors and / or employees get a response to their concerns.
- Reassuring the directors and / or employees that if the concerns are raised in good faith,
- They will be protected from victimization, initiating action, where necessary, to set right the concern raised.
- Ensuring that the Policy is not abused.

The Directors and Management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected

to any discrimination.

No employee was denied access to the Audit Committee.

Compliance

The Board has complied with all the Compliance related under Regulation 34 of SEBI (LODR) Regulations, 2015.

Compliance with Corporate Governance Norms

The Company has complied with Mandatory requirements of the Code of Corporate Governance as Stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchange for the quarter's ended 30-06-2020, 30-09-2020, 31-12-2020 and 31-03-2021 on 10.07.2020, 08.10.2020, 08.01.2021 and 09.04.2021. The Secretarial Auditors have certified that the company has complied with the Corporate Governance norms (except to delay of 47 days in appointment of Independent Director) as stipulated by the Stock Exchanges under SEBI (LODR) Regulations, 2015 including the amendments thereof.

Code of Conduct

The Board of Directors has laid down a Code of conduct for the Members of the Board members as well as the employees in the senior Management of the Company. The Chairman has confirmed and declared that all the Members of the Board as well of the employees in the senior Management have affirmed Compliance with the Code of Conduct

Green initiatives in Corporate Governance

Ministry of Corporate Affairs have taken a Green Initiative in Corporate Governance by allowing paperless Compliance by the Companies after considering the relevant sections of the Information and Technology Act, 2000, for legal validity of Compliance under the Companies Act, through Electronic Mode.

In terms of the provisions of the Companies act, 2013 and rules made thereunder various notices/ documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc.) are being sent to the shareholders through electronic mode to the registered e-mail addresses of the shareholders.

The Company has not issued any Press Release or made any presentation to the investors or analysts about its financial results during the year.

Business Responsibility Report

SEBI has mandated by its circular dated 13.08.2012 the inclusion of Business Responsibility Reports (BR Reports) as part of the Annual Reports for listed entities. Regulation 34(2)(f) SEBI (LODR) Regulations, 2015 has been inserted in the Equity Listing Agreement for this purpose. Initially this has been made applicable for top 500 listed entities.

As per SEBI (LODR), Fifth Amendment Regulations, 2019, Business Responsibility Report is mandatory for Top 1000 listed Companies. Our Market Capitalization as on 31.03.2021 on BSE and at NSE is 107 crore. Therefore, Business Responsibility Report is not applicable on us.

Company commitment

Our Company keeps constant track of prevalent practices among bellwether corporate towards formulating and fine tuning its

responses to the emerging areas on Corporate Governance and responsible business. It continues to take affirmative steps for substantive compliance commensurate with its size, nature of business and governing structure.

Our Company enjoys considerable goodwill of the residents in its neighborhood for its transparency in dealings and fair practices in place. It would be relentless in its pursuit and strengthen its focus for doing responsible business.

General Shareholder Information:

Annual General Meeting for the financial year -2020-2021

Day, date, time and venue of the Annual General Meeting

Day & Date: Wednesday, September 29, 2021

Time: 11.00 AM

Venue: Through video conferencing (VC) or other audio visual means (OAVM)

Equity Shares	Equity Shares
Stock Code:532673 Bombay Stock Exchange Limited, 25th Floor, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai. Tel: 91-22-22728527/ 8307 Fax:91-22-22721072 Website: www.bseindia.com	Stock Code: KMSUGAR National Stock Exchange of India Limited, Exchange Plaza, C-1, Block - 'G', BandraKurla Complex, Bandra(E), Mumbai-00051 Tel: 91-22-26598100 Fax: 91-22-26598237/38 Website: www.nseindia .com

Listing fees up-to the financial year ended 31-03-2021 has been paid to all the concerned stock exchanges by the Company.
Depositories:

1. National Securities Depository Ltd., Trade Worlds, 4th floor, Kamala mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai – 400013	2. Central Depository Services (India) Ltd., PhirozeJeejeebhoy Towers, 17th floor, Mumbai 400023
Compliance officer Ms. Pooja Dua, Company Secretary, 76-Eldeco Green, Gomti Nagar, Lucknow-226010 Mail:cs@kmsugar.in Ph-0522-4079561	Registrar & Share Transfer Agent Link Intime India Pvt Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

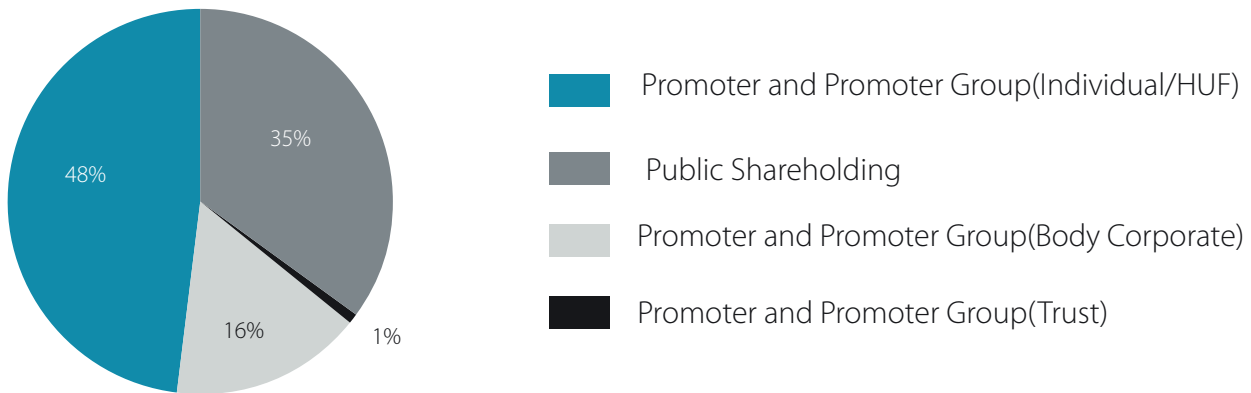
Stock Market Data(InRs.)

Month	Quotation at BSE			Quotation at NSE		
	High	Low	Closing	High	Low	Closing
Apr-20	8.50	6.31	6.88	8.80	6.10	6.90
May-20	7.79	6.09	6.60	7.35	6.05	6.60
Jun-20	10.28	6.35	9.11	10.35	6.60	9.05
Jul-20	9.85	8.20	8.47	9.90	8.25	8.50
Aug-20	14.50	8.30	11.88	14.50	8.25	11.90
Sep-20	13.00	9.38	10.81	12.85	9.15	10.65
Oct-20	12.00	9.55	10.02	11.40	9.60	10.05
Nov-20	11.90	9.31	11.71	11.95	9.50	11.75
Dec-20	13.97	9.66	11.96	13.95	10.40	11.95
Jan-21	12.90	10.00	10.72	12.45	9.20	10.60
Feb-21	11.99	9.60	11.34	11.85	10.40	11.25
Mar-21	14.58	10.85	11.67	14.70	10.70	11.65

Shareholding Pattern as at 31st March, 2021

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	11	44275459	44275459	48.13
Bodies Corporate	4	15027637	15027637	16.33
Any Other (Specify)	2	309329	309329	0.34
Promoter Trust				
Sub Total(A)(1)	17	59612425	59612425	64.80
(2) Foreign	0	0	0	0
Total shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)	17	59612425	59612425	59612425
(B) Public Shareholding				
(1) Institutions				
(a) Central Government / State Government(s)	1	1140	1140	0.00
(b) Financial Institutions/Banks	2	485	485	0.00
Sub Total(b)(1)	3	1625	1625	0.00
(2) Non-Institutions				
(a) Body Corporate	86	827289	827284	0.89
(b) Individual				
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	17148	25497534	25496409	27.71
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2lakh	16	3548126	3548126	3.86
(iii) NBFCs registered with RBI	1	12500	12500	0.01
(iv) Any Other (Specify)				
Clearing Member	57	301002	287585	0.31
Non Resident Indians (Repat)	161	1124931	1124931	1.22
Non Resident Indians (Non Repat)	71	242700	242700	0.26
Hindu Undivided Family	355	831738	831738	0.90
Trusts	1	300	300	0.00
Sub Total(B)(2)	17897	32408120	32406990	35.20
Total Public shareholding (B)=(B)(1)+(B)(2)	17899	32409745	32408615	35.20
Total (A)+(B)	17916	92000170	91999041	100
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0
(2) Public	0	0	0	0
Sub Total	0	0	0	0
Total (A)+(B)+(C)	17916	92000170	91999040	100

Shareholding Distribution



Demat of Shares

The trading of the Company's equity shares falls under the category of compulsory delivery in dematerialized mode and are available for trading on both the depository system of India, National Securities Depository Ltd. and Central Depository Services (India) Ltd. Trust

Share Transfer System

A valid share transfers are normally affected within maximum of 30 days from the date of receipt.

Distribution of Shareholding

Category	No.of Share Holders	% of Total	Shares	% of Total
1-1000	13980	76.7162	4820301	5.2394
1,001-2000	1656	9.0874	2658586	2.8898
2001-3,000	748	4.1047	1976233	2.1481
3,001-4,000	335	1.8383	1229643	1.3366
4,001-5000	434	2.3816	2093256	2.2753
5,001-10000	592	3.2486	4507430	4.8994
10001-above	478	2.6231	74714721	81.2115
TOTAL*	18223	100	92000170	100

* The Company disclosed 17915 nos. of shareholders while submitted Share Holding Pattern to Stock Exchange(s) for the quarter ended 31-03-2021 as PAN nos. of some to them were merged for the purpose of their holding. However, the total nos. of shareholders were 18223 as on 31-03-2021 as per distribution chart.

Plant Location

Sugar Unit- District Ayodhya, Uttar Pradesh,
Cogeneration Unit- District Ayodhya, Uttar Pradesh.
Distillery Unit- District Ayodhya, Uttar Pradesh.

Insider Trading

The Company has adopted new Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information with effect from 01st April, 2019, so as to bring it in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2018 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). All Board of Directors, designated employees and connected persons have been informed about the new policy and has affirmed compliance with the code which is available at www.Kmsugar.com

The Company Secretary is responsible for Implementation of the code. The Audit Committee monitors the adherence to various requirements as set out in the Code.

Related Party Transactions

The Board recommendation of the Audit Committee formulated a Policy on Related Party Transactions (RPTs) available on the company's website www.kmsugar.com in compliance with the applicable provisions of the Companies Act 2013, the rules thereunder and the Listing Regulations.

All Related Party Transactions entered during the financial year were in the ordinary course of business and at arm's length basis. There were no materially significant Related Party Transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. The corporate guarantee provided by the Company continues and was enhanced from Rs. 7095 lacs to Rs. 7549.59 lacs for securing credit facilities to Sonar Castings Limited, where the Company has made investment of Rs. 2040 lacs in preference shares. Transactions with related parties entered by the Company in the normal course of business during the year ended 31st March 2021 have been disclosed in reference to IND-AS 24 in Note 36.8 (c) of the financial statements and AOC-2 as Annexure-6.

Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint on sexual harassment was received during the period under review.

Credit ratings obtained by the entity

The credit ratings obtained by the company from Infomermics Valuation and Rating Private Limited during the relevant financial year, is BBB+.

Other Compliances

i) Management Discussion and Analysis Report

Management Discussion and Analysis Report is made in conformity with SEBI (LODR) Regulations, 2015 and is attached before the Board's Report forming part of the Annual Report of the Company.

ii) Quarterly Financial Results

Pursuant SEBI (LODR) Regulations, 2015, Quarterly Financial Results are approved by the Board on the recommendations of the Audit Committee.

These are communicated to Stock Exchanges by uploading in stock exchange sites after the conclusion of the Board Meeting and published in leading daily newspapers, as required, within the stipulated time. These are also immediately posted on the Company's website.

(iii) Quarterly Compliance Report

The Company has submitted the Compliance Report on Corporate Governance, Shareholding pattern, Investors Grievances to Stock Exchanges in the prescribed format within stipulated time for four quarters during 1st April, 2020 to 31st March, 2021 from the close of each quarter.

(iv) Online filing

Quarterly reports to National Stock Exchange have been filed through NSE Electronic Application Processing System (NEAPS) and are available on web-link- www.nseindia.com.

Quarterly reports to Bombay Stock Exchange have been filed through BSE Listing Centre and are available on weblink- www.bseindia.com. SEBI requires all listed Companies to process investor complaints in a centralized web based complaint system called 'SEBI Complaints Redress System (SCORES)'. All complaints received from shareholders of listed Companies are posted in this system. Listed Companies are advised to view the complaint and submit Action Taken Report (ATR) with supporting documents in SCORES. During the year under report, there was no complaint on our Company posted at SCORES.

(v) Reconciliation of Share Capital Audit

As Stipulated by Securities and Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries out the Reconciliation of the Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL submitted for quarter ended 30.06.2020, 30.09.2020, 31.12.2020 and 31.03.2021 on 31.07.2020, 21.10.2020, 22.01.2021 and 13.04.2021 respectively and is also placed before the Board of Directors.

(vi) Accounting treatment

The Financial Statements have been prepared in compliance with applicable provisions of the Companies Act, 2013 read with rules issued thereunder, applicable Indian Accounting Standard and the provision of SEBI (LODR) Regulations, 2015 including the amendments thereof have been followed.

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended)

with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

(vii) Cost Audit

Pursuant to Section 148 read with the Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. AmanMalviya & Associates, Cost Accountants, Lucknow to undertake cost audit of the Company for year ended as at 31-03-2021. Their remuneration was approved by the Board subject to the ratification by the members of the company.

-Audit Qualification in Report - Nil

(viii) Secretarial Standards & Secretarial Audit -

Pursuant to Section 118 (10) of the Act, every Company shall observe Secretarial Standards with respect to General and Board meetings specified by the Institute of Company Secretaries of India. The Ministry of Corporate Affairs has accorded approval for the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) that has come into force from 1st July 2015. The Company's practices and procedures mostly meet with all these prescriptions and residual requirements will be taken care.

Pursuant to Section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Pragati Gupta, a Practising Company Secretary- (C.P.No.7878) to undertake the Secretarial Audit of the Company for year ended as at 31-03-2021. The Secretarial Audit Report was placed before the Board on August 10, 2021 as per Annexure-8. There are no qualifications in the Secretarial Audit Report except regarding delay of 47 days in appointment of Independent Director.

(ix) Internal Auditor

Pursuant to Section 138(1) of the Act the Company has appointed M/s. VAA & Associates, Chartered Accountants, to conduct internal audit of the functions and activities of the Company for year ended as at 31st March 2021. The internal auditor reports directly to the Audit Committee.

(x) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for year ended 31st March 2021 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

(xi) Peer Review of Auditors

Regulation 33(d) of SEBI (LODR) Regulations, 2015 stipulates that in case of audit reports with unmodified opinion(s), the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results. Necessary declaration is given herein in the report.

Compliance with non-mandatory requirements

(i) Chairman's office:- Shri L.K Jhunjunwala had been appointed as Whole Time Director designated as Executive Chairman, w.e.f 19.05.2015.

ii) Separate posts of Chairman and CEO: Shri L.K Jhunjunwala is holding the position of Whole Time Director designated as Executive Chairman. Shri Aditya Jhunjunwala is the Managing Directors and Shri Sanjay Jhunjunwala is the Joint Managing Directors of the Company and Shri S.C Agarwal is the Executive Director-cum- Chief Executive officer. So there exists separate posts for Chairman & CEO of the Company. The Chairman is Executive Director and maintains an office at the Company's expense.

(ii) Shareholders' Rights

Audited Results on the Company's financial performance are sent to shareholders. These are posted on the Company's Website and soft copy of same emailed to shareholders whose email ids are available with the Company. Shareholders who have not furnished their email ids' are advised to furnish same to mail Id:cs@kmsugar.in or rnt.helpdesk@linkintime.co.in.

(iii) Section 136(1) of the Act and SEBI (LODR) Regulations, 2015 permits circulation of abridged Accounts in lieu of full-fledged Annual Report. The Company has however not exercised this option and continues to send Annual Report in full form to all shareholders.

The Company sought shareholders' cooperation to fall in line with the Green Initiatives of the Central Government by way of sending communications in e-mode.

(iii) Audit Qualifications

The Company since inception has ensured to remain in the regime of unqualified financial statements. SEBI vide its circular dt.13th August 2012, has evolved a system to monitor audit qualification covered in Auditor's Report. Accordingly, listed companies while submitting Annual Report under Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 are required to furnish a declaration to that effect to the Stock Exchange(s). Our Company has complied with this SEBI Circular while furnishing the Annual Reports for the financial year ended 31st March, 2021 under a declaration with the unmodified opinion.

Other Disclosures

(i) Details of non-compliances, penalties and structures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years: Yes, Fine of Rs.2,35,000/- was levied by NSE and BSE each for the Non- Compliance of Regulation 17 of SEBI (LODR), 2015 for 47 days.

(ii) Inter-se relationships between Directors and Key Managerial Personnel of the Company: Shri L.K Jhunjunwala is holding the position of Whole Time Director designated as Executive Chairman and his elder son Shri Aditya Jhunjunwala is the Managing Directors and younger son Shri Sanjay Jhunjunwala is the Joint Managing Directors of the Company

(iii) There were transactions with related parties i.e. promoters, directors, management, subsidiaries or relatives etc. which were not of material nature, not having potential conflict with the interest of the Company at large. Adequate disclosure has been made as per IND-AS -24 in Note no. 36.8 (c) of the Financial Statements.

(iv) Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large: None

(v) Details of utilization of funds raised through preferential allotment or qualified institutions placement: **Not Applicable**

(vi) None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI / Ministry of Corporate Affairs / Statutory Authorities, which has also been confirmed by Ms. Pragati Gupta, Practicing Company Secretaries forming a part of Annexure-5.

(vii) Confirmation by the Board with respect to the Independent Directors is provided in the Report on Corporate Governance under the headboard of Directors.

(viii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Anti-Sexual Harassment Policy, forming part of the Report on Corporate Governance.

(ix) The financial statements are prepared under the historical cost convention and have been prepared in accordance with the applicable mandatory Accounting Standards prescribed by The Institute of Chartered Accountants of India and relevant presentational requirements of the Act.

(x) Business risk evaluation and management is an ongoing process within the Company, which is periodically reviewed by the Board of Directors for determining its effectiveness.

(xi) Information with respect to Commodity Price Risk or Foreign Exchange Risk and Hedging Activities is provided in Management Discussion and Analysis Report.

(xii) The board if has not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: None

(xiii) The total fees paid by the Company to M/s Agiwal & Associates, Statutory Auditors and its subsidiary to M/s. Saurabh Gupta & Co. Statutory Auditors of the Company, and all other entities forming part of the same network, aggregate of Rs.5,05,000/-.

- There are no details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year, as no such proceedings initiated or pending.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, are not required, as there was no instance of onetime settlement with any Bank or Financial Institution.

Declaration under Schedule V (D) of the SEBI (LODR) Regulations, 2015

I, L.K. Jhunjhunwala, Chairman of M/s. K.M. Sugar Mills Limited, hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of conduct of Directors and Senior Management Personnel of the Company for the financial year 2020-21 and a confirmation to this effect has been obtained from them individually for the period under review.

**For and on behalf of the Board of
K. M. Sugar Mills Ltd.**

-Sd/-

L. K. Jhunjhunwala
Chairman

Date: 10.08.2021

Place: Lucknow

Declaration under Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015

We, Aditya Jhunjhunwala, Managing Director and Arvind Kumar Gupta Chief Financial officer of the company, hereby declare that the statutory auditors of the Company-M/s. Agiwal & Associates, Chartered Accountants, New Delhi having firms registration number (FRN-000181N) have issued an Audit report with the unmodified opinion on standalone and consolidated financial results for the quarter and year ended 31st March, 2021.

For and on behalf of K. M. Sugar Mills Ltd.

Date: 08.06.2021

Place: Lucknow

-Sd/-

Arvind Kumar Gupta
(CFO)

-Sd/-

Aditya Jhunjhunwala
(MD)

Annexure-4

Report on CSR

1. Brief outline on CSR Policy of the Company:

The CSR policy of the company was approved on 30.10.2015 and is reviewed annually by the Board of Directors. It defines the company's relationship with the common stakeholders and the community for the social and the environmental good. It aims to work towards the elimination of all barriers for the social inclusion of disadvantaged groups – such as the poor, socially backward and financially excluded group of persons. CSR activities are carried out in an environment friendly manner.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. L.K Jhunjunwala (Chairman)	Whole Time Director	4	4
2.	Mr. Sanjay Jhunjunwala (Member)	Whole Time Director	4	4
3.	Mr. S.K Gupta (Member)*	Independent Director	4	4

* Replaced Mr. S.K Gupta with Mr. Sushil Solomon w.e.f 10.08.2021

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.kmsugar.com>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2017-18	Nil	Nil
2	2018-19	Nil	Nil
3	2019-20	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit/ (Loss) of the last 3 year's company as per section 135(5): Rs. 29,79,00,076/-

7.(a) Two percent of average net profit/ (loss) of the company as per section 135(5): Rs. 59,58,001/-

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

The company will give special preference to the local areas and areas where it operates for spending the amount that is earmarked by the CSR Committee. The CSR policy serves as a guiding document and help the Company to identify, monitor and execute the CSR projects and keep it within the spirit of this policy. The policy lays down the guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. Further the CSR policy of the company in compliance with the MCA circular dated 22nd January, 2021 is amended and to be approved by the Board of Directors of the company in their meeting to be held on 08th June, 2021 based on the recommendations of the CSR Committee.

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 59,58,001/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. 2020-21 (in Rs.)	Amount Unspent (in Rs.) N.A.				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the	Amount	Date of transfer.
Rs.2,56,34,116/-	N.A.	-	N.A.	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No). State	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes / No).	Mode of Implementation – Through Implementing Agency	
				State	District.						Name	CSR Registration number
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No). State	Location of the project. District.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/ No).	Mode of implementation –Through implementing agency.	
				State	District.			Name.	CSR registration number.
1	Covid19 Contribution	Covid Relief	Yes	UP	Lucknow	Rs.1,61,730/-	Yes	N.A.	N.A.
				UP	Ayodhya	Rs. 40,700/-	Yes	N.A.	N.A.
2	Construction and cleaning of Ponds	Rural development projects	Yes	U.P.	Ayodhya	Rs.1,29,250/-	Yes	N.A.	N.A.
3	Tree Plantation expense	Rural development projects	Yes	U.P.	Ayodhya	Rs.28,729/-	Yes	N.A.	N.A.

4	Distribution of Blanket	Eradicating poverty	Yes	UP	Ayodhya	Rs. 10,000/-	Yes	N.A.	N.A.
5	Construction of Multi-Purpose Hall in Girl School	Promotion of education	Yes	U.P.	Lucknow	Rs.20,00,000/-	Yes	N.A.	N.A.
6	Hospital Construction	Promoting Health care	Yes	U.P.	Ayodhya	Rs.2,32,63,707/-	No	Shree Laxmi Public Charitable trust	To be Applied
	TOTAL (Rs.)					Rs.2,56,34,116/-			
	Donation to PM Cares Fund for Covid -19 Pandemic (Rs.)					0			
	Total CSR expenditure for FY 2020-21 (Rs.)					Rs.2,56,34,116/-			

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 2,56,34,116/-**

(g) Excess amount for set off, if any: **Nil**

S. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit/(loss) of the company as per section 135(5)	Rs.59,58,001/-
(ii)	CSR obligation of the company	Rs.59,58,001/-
(iii)	Total amount spent for the Financial Year	Rs.2,56,34,116/-
(iv)	Excess amount spent for the financial year [(iii)-(ii)]	Rs.1,96,76,115/-
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.1,96,76,115/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount spent for the project (in Rs.).		Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL	N/A	N/A	N/A	N/A	N/A	N/A

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project -Completed / Ongoing.
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

12. Pursuant to the provisions of Companies Act, 2013 and Companies Rules (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, the CSR Committee, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Annexure-5

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 15(2) OF SEBI (LODR) REGULATIONS, 2015

To,
The Members,
K M SUGAR MILLS LIMITED,
(CIN - L15421UP1971PLC003492)
11, MotiBhawan, Collectorganj, Kanpur - 208 001

1. We have examined the compliance of conditions of Corporate Governance by K M Sugar Mills Limited ("the Company"), for the year ended on March 31, 2021, as stipulated in:

- The Listing Agreements of the Company with stock exchanges for the period April 1, 2020 to March, 31 2021
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period April 1, 2020 to March, 31 2021.
- Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period April 1, 2020 to March, 31 2021 except regulation 17(1)(a) and Regulation 17(1)(b) as there was delay in appointment of independent Director by 47 days during the quarter ended at December 2020 & March 2021

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of

the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 (except regulation 17(1)(a) and Regulation 17(1)(b) as there was delay in appointment of independent Director by 47 days during the quarter ended at December 2020 & March 2021) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2021.

5. We 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 Pragati Gupta
Company Secretaries**

**Pragati Gupta
Proprietor**

Membership No. : A19302

C.P. No. 7878

UDIN - A019302C000561778

Date: 30.06.2021

Place: Lucknow

CEO and CFO Certification

We, Aditya Jhunjhunwala, Managing Director and Arvind Kumar Gupta, CFO of K M Sugar Mills Limited, to the best of our knowledge and belief, hereby certify that :

(A) We have reviewed the financial statements and cash flow statements for the year at 31st March, 2021, and that based on our knowledge and belief :-

(i) these statements do not contain any materially untrue statements or omit to state any material fact or contain statements that might be misleading; and

(ii) these statements present a true and fair view of the listed entity's affair and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

(C) We along with Company's other certifying officers accept responsibility for establishing and maintaining internal controls for financial reporting and that we have:-

(i) evaluated the effectiveness of the internal control systems of the listed entity pertaining to the financial Reporting; and

(ii) disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit Committee of the Company, the following:-

(i) Significant changes in internal control over financial Reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial Reporting.

Date: 08.06.2021

Place: Lucknow

**-Sd/-
Arvind Kumar Gupta
CFO**

**-Sd/-
Aditya Jhunjhunwala
MD**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[As per Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations].

To,
The Members,
K M SUGAR MILLS LIMITED,
(CIN - L15421UP1971PLC003492)
11, MotiBhawan, Collectorganj, Kanpur - 208 001

1. We have examined the status of directors for the year ended on March 31, 2021, pursuant to the provisions of Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").
2. It is neither an audit nor an expression of opinion regarding the legality of debarring or disqualification by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority.
3. Our examination was limited to a review of the relevant records of the Company and website of MCA, stock exchange(s), SEBI and other relevant statutory authority (ies) (specify) as specified in Annexure to this certificate and it is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the declarations and disclosures made by the Directors and the representation given by the Management, we certify that none of the directors on the board of K M Sugar Mills Limited, have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the year ended at March 31, 2021.

For Pragati Gupta
Company Secretaries

Date: 30.06.2021
Place: Lucknow

Pragati Gupta
Proprietor
Membership No. : A19302
C.P. No. 7878
UDIN - A019302C000561767

FORM NO. AOC-1

Statement containing salient features of the Financial Statement of subsidiary

(Pursuant to first proviso to sub-section (3) of section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part 'A'

Sl. No.	Particulars	M/s. K.M. Spirits and Allied Industries Ltd
1	Reporting period of the subsidiary	01.04.2020 to 31.03.2021
2	Reporting currency	Indian Rupees
3	Share Capital	5,00,000/-
4	Reserve & Surplus	-23,216/-
5	Total Assets	4,92,754/-
6	Total Liabilities	4,92,754/-
7	Investments	0.00
8	Turnover	0.00
9	Profit before tax	11,815/-
10	Provision for tax	1,900/-
11	Profit after tax	9,915/-
12	Proposed Dividend	0.00%
13	% of shareholding	99.99%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- K.M. Spirits and Allied Industries Ltd
- Names of subsidiaries which have been liquidated or sold during the year.

Part 'B'

Associates and Joint Ventures

The company does not have any associate and joint venture company, hence the requirement under this part is not applicable to the company and no information is required to be disclosed.

For and on behalf of the Board of Directors

Date: 10.08.2021

Place: Lucknow

-Sd/-

L.K. Jhunjhunwala
Chairman

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188- N.A

2. Details of material contracts or arrangement or transactions at arm's length basis:-

- (a) Name(s) of the related party and nature of relationship: - Sonar Casting Limited, Related Party
- (b) Nature of contracts/arrangements/transactions: - Investment and Corporate Guarantee.
- (c) Duration of the contracts / arrangements/transactions: 01-04-2020 to 31-03-2021
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms.
 - No amount has been written back/written off during the year in respect to due to/due from related parties.
 - The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

Nature of transaction/ Name of the related party	Value(in Lakhs)
Corporate guarantee given by the company for loan sanctioned/availed by Sonar Casting Limited.*	7549.59 (7095.00)
Investment made 2020-21 (2019-20) in Equity share of Sonar Casting Limited*	109.00 (109.00)
Investment made 2020-21 (2019-20) in Preference share of Sonar Casting Limited*	2040.00 (2000.00)

- (e) Date(s) of approval by the Board, if any: This has been reviewed and recommended by the Audit Committee and also approved by the Board in their Meeting held on 29.05.2019 and 10.11.2020 and by the shareholder in the annual general meeting of the company held on 20.08.2019 and extra ordinary general meeting of the company held on 10.03.2021.
- (f) Amount paid as advances, if any: As given above in the RPT details. N.A

For and on behalf of the Board of Directors
-Sd/-
L.K. Jhunjhunwala
Chairman

Date: 10.08.2021
Place: Lucknow

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
K M SUGAR MILLS LIMITED,
11, Moti Bhawan, Collectorganj, Kanpur - 208 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s K M SUGAR MILLS LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's 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

- i. The company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also;
- ii. 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 financial year ended on 31st March, 2021 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 there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review;**
- 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, 2018- **not applicable as the Company has not made any public offer of securities during the period under review;**
 - d. Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable as the Company has not granted any options during the financial year under review**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **not applicable as the Company has not issued any listed debt securities during the period under review;**
 - 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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted/ propose to delist its equity shares from any stock exchange during the financial year under review;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**

vi. The following other laws as may be applicable specifically to the company:

- (a) Sugar Cess Act, 1982
- (b) Levy Sugar Price Equalisation Fund Act, 1976
- (c) Food Safety And Standards Act, 2006
- (d) Essential Commodities Act, 1955
- (e) Sugar Development Fund Act, 1982
- (f) Agricultural and Processed Food Products Export Act, 1986
- (g) The Boilers Act, 1923
- (h) The Legal Metrology Act, 2009
- (i) The Environment Protection Act, 1986
- (j) The Water (Prevention and Control Pollution) Act, 1974
- (k) The Air (Prevention and Control Pollution) Act, 1981

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) The Company has filed with delay few forms/returns/documents etc. on payment of additional fee with the Registrar of Companies, Ministry of Corporate Affairs, Kanpur under the provisions of the Companies Act, 2013.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However we have noted delay of 47 days in the appointment of a Independent Director in terms of Regulation 17(1)(a) and Regulation 17(1)(b) during the quarter ended at December 2020 & March 2021 which was compiled w.e.f 01st February, 2021 when Shri Bibhas Kumar Srivastav was appointed as the Independent (Non-Executive) Director to fill up the vacancy caused by the death of Shri Hemant Pat Singhania. BSE Limited & NSE had also levied penalty of Rs.2,35,000/- each for the said delay.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however we have noted delay in sending agenda papers in few cases, 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.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that the systems and processes in the company require further strengthening and improvements, considering the size and operations of the company to enable effective monitoring and ensuring of compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following material event having bearing on the affairs of the Company.

- The corporate guarantee provided by the Company continues and was enhanced from Rs. 7095 lacs to Rs. 7549.59 lacs for securing credit facilities to Sonar Castings Limited, where the Company has made investment of Rs. 2040 lacs in preference shares.
- The Company has altered the main objects to facilitate the business in the field of particle board and align the memorandum of association of the Company in line with the provisions of the Companies Act, 2013.

**For Pragati Gupta
Company Secretaries
-Sd/-**

**Pragati Gupta
Proprietor**

Membership No. : A19302

C.P. No. 7878

UDIN - A019302C000561745

Date: 30.06.2021

Place: Lucknow

Note: This report should be read with the letter of even date by the Secretarial Auditors.

To,
The Members,
K M SUGAR MILLS LIMITED,
11, MotiBhawan, Collectorganj, Kanpur - 208 001

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

- 1.Maintenance of secretarial record 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 process as were appropriate to obtain reasonable assurance about the correctness of the 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 processes and practices, we followed provide a reasonable basis for our opinion.
- 3.We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4.Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5.The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- 6.The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Pragati Gupta
Company Secretaries

-Sd/-

Pragati Gupta
Proprietor

Membership No. : A19302

C.P. No. 7878

UDIN - A019302C000561745

Date: 30.06.2021

Place: Lucknow

Annexure-9

Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Particulars of Employees Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(Amt. In Lakhs)

Name(s) of Whole time Directors	Designation	Remuneration -year ended 31-03-2021 (In Rs.)	Remuneration -year ended 31-03-2021 (In Rs.)	% increase/ (Decrease) in remuneration	Ratio of remuneration to median remuneration of employees	Ratio of the remuneration to Net Profit year ended 31-03-2021
Shri L.K. Jhunjunwala	Whole Time Director	181.22	308.25	(48.21)%	8.90:1.00	0.069:1.00
Shri Aditya Jhunjunwala	Mg. Director	200.36	308.13	(34.98)%	9.87:1.00	0.076:1.00
Shri Sanjay Jhunjunwala	Jt. Mg. Director	110.61	107.59	2.80%	5.45:1.00	0.042:1.00
Shri S.C. Agarwal	Exe. Director-cum- CEO	43.94	44.08	(0.31)%	2.16:1.00	0.017:1.00

(Amt. In Lakhs)

Name(s) of Independent Directors	Remuneration – Year ended 31-03-2021 (In Rs.)	Remuneration in year ended 31-03-2020 (In Rs.)	% increase in remuneration
Sh. H.P. Singhania*	0.95	0.64	48.43%
Sh. S.K. Gupta	2.25	0.82	174.39%
Mrs. MadhuMathur	1.95	0.52	275.00%
Dr.Sushil Solomon	1.25	0.30	316.67 %
Sh. Bibhas Kumar Srivastav*	0.20	N.A	100%

*Shri H. P. Singhania ceased to be Independent (Non- Executive) Director due to Death on 16th September, 2021 and Shri. Bibhas Kumar Srivastav was appointed as the Independent (Non- Executive) Director of the company.

(Amt. In Lakhs)

Name of KMP	Remuneration – Year ended 31-03-2021 (In Rs.)*	Remuneration year ended 31-03-2020 (In Rs.)	% increase in remuneration	Ratio of the remuneration to Net Profit for the year ended 31-03-2021
Sh. Arvind Gupta	18.52	17.12	8.14%	0.007:1.00
Ms. Pooja Dua	4.30	3.60	19.45%	0.002:1.00

*The figures are comparable

A) Statement of particulars of remuneration as per Rule 5(1)

SI No.	Description																																									
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Shri L.K. Jhunjhunwala Shri Aditya Jhunjhunwala Shri Sanjay Jhunjhunwala Shri S.C.Agarwal	8.90:1.00 9.84:1.00 5.43:1.00 2.16:1.00	Note-1																																						
2	The percentage increase / decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Chairman-cum-Director Managing Director Joint Managing Director Executive Director –cum-CEO CFO CS	(48.21)% (34.98)% (20.80)% (0.31)% (8.14)% (19.45)%	Note-3																																						
3	The percentage increase in the median remuneration of employees in the financial year	2.52 %																																								
4	The number of permanent employees on the rolls of company	339 nos.																																								
5	The explanation on the relationship between average increase in remuneration and company performance	The performance of the Company during the year in terms of revenue and profitability is one of the important parameters considered while deciding the increase in the remuneration of the employees. The revision in remuneration of employees is based on the following fundamental principles, which directly impact the Company's performance : a-Demand –supply relationship of the job skill/ expertise; b-Company's need to retain and attract Human Resources and talent; c- Employee's social aspiration for enhancing standard of living; d- Increase in cost of living;																																								
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	<table><tr><td colspan="3">Total Remuneration Rs. In lacs</td></tr><tr><td colspan="2">Financial Year</td><td rowspan="2">Increase/(Decrease) in %</td></tr><tr><td>2019-20</td><td>2020-21</td></tr><tr><td>788.79</td><td>558.95</td><td>(29.13)%</td></tr><tr><td colspan="3">Revenue of the Company Rs. In lacs</td></tr><tr><td>Financial Year</td><td>Financial Year</td><td>Increase in %</td></tr><tr><td>2019-20</td><td>2020-21</td><td></td></tr><tr><td>54194.29</td><td>50726.50</td><td>(6.4)%</td></tr><tr><td colspan="3">Profit before Tax and exceptional items Rs. In lacs</td></tr><tr><td>Financial Year</td><td>Financial Year</td><td>Increase/Decrease in %</td></tr><tr><td>2019-20</td><td>2020-21</td><td></td></tr><tr><td>2800.98</td><td>3423.03</td><td>22.21%</td></tr><tr><td colspan="3"></td></tr></table>		Total Remuneration Rs. In lacs			Financial Year		Increase/(Decrease) in %	2019-20	2020-21	788.79	558.95	(29.13)%	Revenue of the Company Rs. In lacs			Financial Year	Financial Year	Increase in %	2019-20	2020-21		54194.29	50726.50	(6.4)%	Profit before Tax and exceptional items Rs. In lacs			Financial Year	Financial Year	Increase/Decrease in %	2019-20	2020-21		2800.98	3423.03	22.21%				Note-3
Total Remuneration Rs. In lacs																																										
Financial Year		Increase/(Decrease) in %																																								
2019-20	2020-21																																									
788.79	558.95	(29.13)%																																								
Revenue of the Company Rs. In lacs																																										
Financial Year	Financial Year	Increase in %																																								
2019-20	2020-21																																									
54194.29	50726.50	(6.4)%																																								
Profit before Tax and exceptional items Rs. In lacs																																										
Financial Year	Financial Year	Increase/Decrease in %																																								
2019-20	2020-21																																									
2800.98	3423.03	22.21%																																								

7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	Particulars	Unit	As at 31-03-2021	As at 31-03-2020	Variation	Increase/Decrease in %
		Closing rate at NSE	Rs.	11.65	6.30	84.92%	
		EPS Consolidated	Rs.	2.85	2.00	42.50%	
		Market Capitalization	Rs./ lacs	10718.01	5796.01	84.92%	
		Price Earnings Ratio	Ratio	4.08:1	3.15:1	29.53%	

Notes:

1. All other directors (Independent) were paid only sitting fee for attending the meetings of the Board and Committees thereof.
2. Commission was paid to Mr. L. K Jhunjhunwala, Chairman of the company and Mr. Aditya Jhunjhunwala, Managing Directors of the company during the year under review within limit approved by the shareholders of the company in the 47th AGM of the company held on 10th September 2020.
3. The remuneration levels and periodic increases have no direct correlation to the company's performance but are determined in the normal course of business and in line with industry norms. The company did not come out with Public Offer.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Facts:-

- Sugar is one of world's major agro- based industries and is also one of the most actively traded soft commodities on the exchange
- More than 80 % of Sugar produced is from sugarcane while balance is from sugar beet.
- Top 5 sugar producers in the world, namely, Brazil, India, EU, China & Thailand, account for over 60 % of the total production.
- The sugar prices have been seen high level of volatility and now it is at a comfortable level.
- India is the second largest producer of sugar in the world and its production in 2020-21 was 28.9 Million tonnes.
- Around 5.25 million hectares of land for sugarcane crop.
- 50 million cane farmers and their dependents.
- Around 700 sugar mills installed and 530 operational.
- India is World's largest consumer of sugar and usually consume all sugar produced domestically about 62-65% of sugar consumed directly by bulk users.
- The expanding application of sugar in the pharmaceutical, skincare, beverages sectors is one of the key trends in the global sugar market.
- According to the estimates by IMARC Group, the global sugar market is expected to witness a CAGR of 4.03% from 2021 to 2026.
- Sudden outbreak of the COVID-19 pandemic had led to the implementation of stringent lockdown regulations across several nations resulting in temporary shutdown of numerous manufacturing units and supply chain disruptions of sugar and sugar-based products.
- On the basis of the product type, the market has been bifurcated into white sugar, brown sugar and liquid sugar. Among these, white sugar holds the largest market share.
- Region-wise, the market has been classified into Brazil, India, United States, European Union, China and Thailand and others, where Brazil dominates the global market.
- ICRA expects credit profile of integrated sugar mills to witness material improvement in 2022-23 aided by improving inventory position and higher profits from higher ethanol supplies post commissioning of enhanced distillery capacities.
- Sugar mills across the country have produced 306.65 lakh tonnes of sugar between 1st October 2020 and 15th June 2021. This is 35.54 lac tonnes higher than 271.11 lac tonnes produced at the same time last year.

Global Sugar Industry

Impacts of COVID-19 have been taken into consideration in the global sugar forecast for trade and consumption. However, the impact of the pandemic on the global economy remains highly uncertain.

Brazil production is forecast to drop 5 percent to 39.9 million tons due to a reduced volume of sugarcane for crushing. Unfavorably dry weather and incidence of fire outbreak in the fields has lowered volumes. In addition, steady grain prices have encouraged the shift of marginal sugarcane areas to soybeans and corn. The sugar/ethanol production mix is expected to be similar to the previous season at 46.5 percent sugar and 53.5 percent ethanol. Consumption is estimated up slightly. Stocks are forecast to more than double while exports decline from last year's record but still represent the second-highest export level.

India production is forecast to grow 3 percent to 34.7 million tons, assuming favorable weather. Consumption is forecast at a record with the expectation that the economy recovers from the pandemic with the marketing year that begins in October. Imports and exports are forecast unchanged, but stocks are up almost 8 percent due to higher beginning stocks and higher production.

Production in the **European Union** is forecast 7 percent higher to 15.8 million tons as additional member states such as France and Germany are provided exemptions on the neonicotinoid ban. Imports are forecast unchanged at 1.5 million tons.

Thailand's production is forecast to recover 4.7 million tons to 12.9 million on favorable cane yields and sugar extraction rates. Consumption is expected to continue increasing due to demand for direct sugar consumption and food-processing. With favorable supplies and global demand, exports are forecast at a record 11.0 million tons and stocks are expected to be the lowest level in 8 years.

China's production is up marginally to 10.6 million tons as rising cane sugar production is expected to offset lower beet sugar production. With rebounding consumption, imports are forecast to rise slightly. Stocks are down for the seventh consecutive year.

U.S. production is forecast up marginally to a record 8.4 million tons, as gains from beet sugar more than offset the drop in cane sugar production in Louisiana. Imports are down 16 percent to 2.4 million tons based on projected quota programs and the calculation of U.S. Needs as defined in the amended Suspension Agreements. Consumption is forecast unchanged while stocks are lowered with the drop in imports.

Mexico production is forecast slightly lower to 6.2 million tons (5.8 million tons, actual weight) due to lower sugarcane yields as a result of ongoing drought and poor soil quality. Consumption is gradually decreasing due to a weak economy and high inflation. Exports are forecast higher, with shipments to the United States projected at the expected level of U.S. Needs, as defined in the amended Suspension Agreements.

Pakistan production is forecast up 14 percent to 6.8 million tons due to significant increases in area and sugarcane yields. Consumption continues to grow modestly, largely as a result of a growing population and a slowly developing domestic food processing sector. Exports are forecast to rise to 800,000 tons on expectations of large sugar supplies. Stocks are up with higher production.

Australia production is forecast up 65,000 tons to 4.4 million due to higher yields. Consumption and exports are up with the rise in production, while ending stocks are projected lower. Australia exports around three-quarters of its sugar production with most exports destined for Indonesia, Japan, and South Korea.

Guatemala production is forecast to rebound 3 percent to 2.7 million tons on higher sugar yields resulting mainly from the adoption of improved sugarcane varieties. Consumption is unchanged while exports are up on higher supplies with Canada, Chile, and the United States expected to be the top markets. Stocks are down as a result of higher exports and lower beginning stocks.

Indonesia production is forecast up 3 percent to 2.2 million tons due to higher area and sugarcane yields. Consumption is expected up slightly in line with population growth and expected demand recovery from the food and beverage industry. Imports are forecast to decline with higher domestic production. Stocks are expected down, reflecting lower imports and growing consumption.

(Source USDA)

Indian Sugar Industry

Sugar mills across the country have produced 305.68 lac tons of sugar till May 2021. This is 35.63 lac tons higher than 270.05 lac tons produced at the same time last year. As compared to 18 sugar mills which were crushing sugarcane on 31st May 2020, only 7 sugar mills are crushing sugarcane on May 2021 this year primarily in two States i.e U.P. and Tamil Nadu.

U.P. sugar mills have produced 110.16 lac tons of sugar till May 2021, which is 15.30 lac tons lower than the production of 125.46 lac tons produced by them last year on the corresponding date. Out of 120 mills which operated this year, 116 mills have ended their crushing and only 4 mills continue their operations as compared to 14 mills which operated last year.

In Maharashtra, crushing season has concluded and the mills of the State have produced 106.28 lac tons of sugar, which is about 44.59 lac tons higher as compared to 61.69 lac tons produced in 2019-20 Sugar Season.

In Karnataka, all the operating mills closed their crushing operations by 15th April, 2021 and produced 41.67 lac tons of sugar as compared to 33.80 lac tons produced last year same period. Last year during the special season, Karnataka mills had produced 1.14 lac tons of sugar.

In Tamil Nadu, out of 28 sugar mills which operated in this season, 3 mills operated for the special Season. Till May 2021, sugar production in the State was 6.52 lac tons, compared with 5.90 lac tons produced on the corresponding date last year. Out of the 24 sugar mills, 4 mills were in operation till May 2020, last year. Last year, during the special season during June – September period, 2.0 lakh tons of sugar were produced by mills in Tamil Nadu.

In the remaining States of Gujarat, Andhra Pradesh, Telangana, Bihar, Uttarakhand, Punjab, Haryana and Madhya Pradesh, Chhattisgarh, Rajasthan and Odisha concluded their crushing operations for the season and have collectively produced 41.05 lac tons till May, 2021.

Further, about 58 lac tons of contracts for export of sugar against MAEQ of 60 lac tons of sugar for 2020-21 fixed by the Government,

was been entered into so far. It was also estimated that almost 44 - 45 lac tons of sugar would have physically got exported out of the country during January, 2021 to May, 2021. In addition to the above, the sugar industry had exported 4.48 lakh tons of sugar in Oct- Dec 2020 quarter against the MAEQ of last season 2019-20.

Source: ISMA

Government Policies:

- The minimum selling price of sugar was retained at Rs. 3,100 per quintal. However, a higher MSP is warranted to prop the flapping fortunes of the sugar industry and increase their ability to clear sugarcane dues.
- Continuation of monthly release mechanism so as to regulate and moderate the availability of sugar in the Market
- the Government had reduced its assistance in export of sugar from Rs. 6000 per ton to Rs. 4000 per ton of sugar for exports against MAEQ for 2020-21 Sugar Season, citing current global market scenario. The reduced assistance shall be applicable for that quantity of MAEQ for which the export contracts/agreements are signed on or after 20th May, 2021.
- Announcement 60 LMT quota for exports of sugar season 2020-2021 with an assistance of ₹3500 crores. In the previous sugar season 2019-2020, the Government provided an assistance of ₹10,448/MT. Although the decision on exports of sugar comes with a delay the assistance will benefit 5 crore farmers and the sugar industry.
- The government of India has advanced the target for 20 per cent ethanol blending in petrol (also called E20) to 2025 from 2030. E20 will be rolled out from April 2023 which is aimed at reducing the country's oil import bill and carbon dioxide pollution. This new initiative is also part of measures to improve energy security and self-sufficiency measures.

Sugar production and stock situation

According to the ISMA, sugar output in India increased by 14.4% year to year to 30.4 million tonnes during the period from October 2020 to May 2021 led by 73% growth in Maharashtra to 10.6 million tonnes backed by favorable weather conditions which resulted in increased cane area and better yields in the state. It is important to note that the production numbers are after considering the diversion of sugar towards ethanol which is estimated at around 2 million tonnes of sugar.

In addition to the output, India has an opening stock of about 10.5 million tonnes for the current season. This will bring the total availability of sugar in India to an estimated 40.9 million tonnes. After considering domestic consumption of around 26 million tonnes (as per ISMA) and exports of about 6 million tonnes (target set by government), India has closing stock of around 8.9 million tonnes for SS 2020-21. This closing stock is 15% lower than the previous year's closing stock of 10.5 million tonnes, however it continues to remain more than the normative requirement of 2-3 months stock for the next sugar season.

While the industry awaits a hike in MSP, the government has cut down the export subsidy for the current sugar year 2020-21 by 31.4% to Rs.4 per kg from Rs.5.8 per kg earlier. Support from international

sugar prices and export contracts of 5.7 million tonnes out of 6 million tonnes export and applied also on the outbound shipments other than 5.7 million tonnes of sugar export contracted so far.

Apart from sugar exports, the government has been giving much importance to Ethanol Blended Petrol (EBP) Programme to reduce sugar glut situation in India through diversion of sugarcane and surplus sugar towards manufacturing of ethanol, 117.7 crore litres of ethanol have been supplied out of 302.5 crore litres of contracted ethanol. Of the total ethanol supplied, about 77% of ethanol is made from sugarcane juice/B-heavy molasses. On an average, India has achieved blending percentage of 7.4% while 11 states that includes Uttar Pradesh, Maharashtra, Karnataka, Uttarakhand, Bihar, Haryana, Punjab, Delhi, Goa, Gujarat and Himachal Pradesh achieved a higher blending percentage of up to 10%.

Sugar prices in India stagnates despite upward movement in international sugar prices

The growth in international sugar prices have definitely augured well for Indian sugar exports amid glut situation in the domestic market. About 5.7 million tonnes of contracts for sugar exports have already been entered so far. In terms of actual exports, about 3.7 million tonnes of sugar have been shipped out by end of April, 2021 and another 0.7-0.8 million tonnes of sugar was exported by end of May 2021 bringing the total physical sugar exports to around 4.5 million tonnes by May 2021. The improvement in international sugar prices on sequential basis in most of the months April 2020 onwards did not translate into higher domestic sugar prices. The average wholesale sugar prices in India have almost stagnated and have been hovering in the range of Rs.33-Rs.34 per kg for almost 2 years now since April 2019 except for September 2019 where the prices averaged at Rs.35 per kg. The prime reason that have been restricting any major growth in domestic prices are the higher sugar inventories in India due to bumper sugar production (increase of 60.1% to 32.5 million tonnes) and minimum sugar exports during sugar season 2017-18 and subsequent 2.1% growth in sugar output during sugar season 2018-19.

The domestic sugar prices in fact have remained in the range of Rs.33-Rs.34 per kg only backed by an increase in sugar Minimum Support Price (MSP) to Rs.31 per kg in February 2019 from Rs.29 per kg announced in June 2018. Had it not been for the MSP of Rs.31 per kg, the domestic sugar prices would have fallen beyond the range of Rs.33-Rs.34 per kg in 2020.

The domestic sugar prices are unlikely to witness any major improvement amid huge carry-over stocks of about 10.6 million tonnes and an expected 10.2% growth in production to 30.2 million tonnes in the current sugar year 2020-21. Thus the prices are expected to remain largely range bound only backed by MSP of Rs.31 per kg. The domestic prices are unlikely to increase unless sugar MSP is hiked by the government.

The global sugar prices are expected to stay firm and are likely to maintain the current price range till March, 2021 unless sugar from Brazil for the new sugar season (April-March) 2021-22 starts coming in from April 2021 onwards. The uncertainty in Brazil over cane diversion towards sugar production is expected to continue as the prospects for fuel demand (ethanol) will guide the production of ethanol and thus sugar. Also, the pace of sugar exports from India will influence

the movement in international sugar prices to an extent

- Ethanol

India ethanol market is projected to grow from \$ 2.50 billion in 2018 to \$ 7.38 billion by 2024, exhibiting a CAGR of 14.50% during 2019-2024, on the back of increasing ethanol use in applications such as fuel additives and beverages.

The total LOI quantity of 346.52 crore ltrs, 321.18 crore ltrs have been contracted for and 145.38 Cr ltrs of ethanol have been supplied till May 2021. Out of the which, about 77% comprises of ethanol made from sugarcane juice /B-heavy molasses. The country, on an average, in the current ESY 2020-21 has achieved a blending percentage of 7.56% so far. We have achieved almost 8 – 10% blending in most of the States except Rajasthan, Kerala, West Bengal, Assam, NE States, Kashmir and Ladakh, not being the main sugar/ethanol producing States as also being far away from the ethanol producing States. To achieve the target of 8 – 8.5% for the whole year by the end of November, 2021 and move forward to achieve 10% blending, it was important to increase blending level to at least 12% in ethanol surplus States and the States adjoining them. It is understood that BIS standards for E12 and E15 would be fixed soon.

Meanwhile, the OMCs have on 25th May, 2021, floated their 4th cycle of Expression of Interest (EOI), inviting further bids from ethanol producers for another about 26 crore litres of ethanol in the current year 2020-21, for supplies from 1st June to 30th Nov 2021.

- Power Sector

Cogeneration of bagasse is one of the most attractive and successful energy projects that have already been demonstrated in many sugarcane producing countries such as Mauritius, Reunion Island, India and Brazil. Combined heat and power from sugarcane in the form of power generation offers renewable energy options that promote sustainable development, take advantage of domestic resources, increase profitability and competitiveness in the industry, and cost-effectively address climate mitigation and other environmental goals.

Electricity consumption and generation witnessed a notable improvement in March 2021 both conventional as well as renewable energy witnessed a monthly as well as an annual increase in generation. This along with firming up of prices in the short-term electricity market was indicative of the strengthening of electricity demand and hinted towards the tentative economy.

Electricity generation in FY21 was marginally lower than that in FY20 with lower output from conventional sources. Consumption too was slightly lower than a year ago owing to the lower demand in the first five months of FY21.

In FY21, domestic electricity generation was 1380 BU, 0.6% less than FY20. This fall was mainly on account of the lower output from conventional sources (thermal, hydro and nuclear), which accounts for around 90% of the total generation.

Against the prevailed tariffs of Rs. 6.19 to Rs. 6.75 per unit for the purchase of cogenerated power supplied by mills to UP Power Corporation Limited (UPPCL), the UP Electricity Regulatory

Commission (UPERC) has fixed paring the rate by around Rs. 3.04 per unit for FY 2020-21.

Sanitizer

Due to COVID-19 Pandemic the Indian market are driven by an increase in hygiene consciousness. Therefore, the introduction of new products is anticipated to boost the growth of the sanitizer market. Hand sanitizer contains at least 60% to 80% of alcohol, which kills most kinds of bacteria, including antibiotic-resistant bacteria and tuberculosis bacteria. Hand sanitizers are recommended when in the absence of soap and water to wash hands. In addition, hand sanitizing is considered to be more effective in fighting against common cold than hand washing. Many such benefits coupled with growing awareness about the importance of hygiene has increased the demand for sanitizing products among consumers, which is fuelling the growth of the market.

Every state in India are taking steps to stop the spread of corona virus infection. Uttar Pradesh government has relaxed the licensing procedure in order to meet the demand of hand sanitizers to fight against the corona virus threat. As a result, 70 companies are preparing sanitizers in UP. These include 24 sugar mills, 10 distilleries, 28 sanitiser companies and eight other companies.

India's hand sanitizer production capacity went up by a staggering 1,000 times to 30 lakh litres per day from an annual production of mere 10 lakh litres, as sugar mills and ethanol distilleries with the help of Central and State governments rose to the occasion to meet the challenge posed by the Covid-19 pandemic.

Technology Options

The prime technology for sugar mill cogeneration is the conventional steam-Rankine cycle design for conversion of fuel into electricity. A combination of stored and fresh bagasse is usually fed to a specially designed furnace to generate steam in a boiler at typical pressures and temperatures of usually more than 40 bars and 440°C respectively. The high pressure steam is then expanded either in a back pressure or single extraction back pressure or single extraction condensing or double extraction cum condensing type turbo generator operating at similar inlet steam conditions.

Due to high pressure and temperature, as well as extraction and condensing modes of the turbine, higher quantum of power gets generated in the turbine-generator set, over and above the power required for sugar process, other by-products, and cogeneration plant auxiliaries. The excess power generated in the turbine generator set is then stepped up to extra high voltage of 66/110/220 kV, depending on the nearby substation configuration and fed into the nearby utility grid. As the sugar industry operates seasonally, the boilers are normally designed for multi-fuel operations, so as to utilize mill bagasse, procured Bagasse/biomass, coal and fossil fuel, so as to ensure year round operation of the power plant for export to the grid.

India is the second largest producer of sugar in the world. Sugar Industry is the largest agro industry located in rural India. Needless to say, that sugar Industry is the back bone of rural economy in at least a dozen of states. We are using the latest Technology available to minimize cost of production thereby improving efficiency.

Most of the latest Technologies being used at different stages may be listed as below (However, this is not the exhaustive list):

Bagasse Drier Unit

Improving the use of fuel i.e. Bagasse in the boiler is an important industrial approach for more earnings of the sugar industry. By use of Bagasse driers, boiler efficiency can be increased considerably on account of reduction of Bagasse moisture. After installation of Bagasse Drier, it has been reported that factories have achieved a drop of about 8- 10% of Bagasse moisture i.e. final bagasse moisture after drying comes to the tune of 40- 42%.

Moisture Control Unit (MCU)

"Moisture Control Unit" is designed to reduce moisture of bagasse coming out from discharge nip of each mill which results in additional drainage of juice and reduces final bagasse moisture. This ultimately improves overall performance of whole tandem in terms of overall mill extraction and final moisture% Bagasse.

Advantages of Moisture Control Unit Are:

1. Reduction in moisture % final bagasse.
2. Increase in Juice drainage at discharge nip, particularly at heel clearance of trash plate.
3. Allow to increase imbibitions % fibre. This helps to reduce bagasse pol and moisture % bagasse can be maintained even after increase in imbibition.
4. Controlling Re-absorption of Juice in mills.
5. Increase in overall mill extraction, RME.

High Pressure Boilers

The fact that increase in boiler pressure increases the steam fuel ratio is an established one. This increase in steam fuel ratio is mainly due to high inlet temperature of feed water by regenerative heating (Regenerative Cycle Efficiency is higher than the cycle efficiency without regeneration) and higher boiler efficiency due to the design parameters of high pressure boiler.

Molecular Sieve Dehydration Technology

Absolute alcohol is an important product required by industry. As per IS Specification it is nearly 100% pure / water free alcohol. Alcohol as manufactured is rectified spirit, which is 94.68% alcohol, and rest is water. It is not possible to remove remaining water from rectified spirit by straight distillation as ethyl alcohol forms a constant boiling mixture with water at this concentration and is known as azeotrope. Therefore, special process for removal of water is required for manufacture of absolute alcohol.

Distillery Section – Multi Pressure Distillation Technology

Latest used Technology for Distillation is Multi-Pressure (MPR) Distillation which applies various heat integration methods, for the optimal economic operation of the plant.

Multi-Pressure Distillation system has seven distillation columns operating at various pressure conditions. Heat energy from columns operating under high pressure is utilized for columns operating under low pressure to optimize the operation for energy consumption.

Sugar Refinery (Defeco – Melt Phosphatation Followed by Exchange Resin)

India, primarily produce Plantation White Sugar (PWS) but for the last few years, owing to increased demand most of the factories have converted to the production of refined sugar using Defeco Melt Phosphatation followed by Ion Exchange Process.

Latest Trends

Modern power plants use higher pressures, up to 87 bars or more. The higher pressure normally generates more power with the same quantity of Bagasse or biomass fuel. Thus, a higher pressure and temperature configuration is a key in increasing exportable surplus electricity.

In general, 67 bars pressure and 495°C temperature configurations for sugar mill cogeneration plants are well-established in many sugar mills in India. Extra high pressure at 87 bars and 510°C, configuration comparable to those in Mauritius, is the current trend and there are about several projects commissioned and operating in India and Brazil. The average increase of power export from 40 bars to 60 bars to 80 bars stages is usually in the range of 7-10%.

A promising alternative to steam turbines are gas turbines fueled by gas produced by thermochemical conversion of biomass. The exhaust is used to raise steam in heat recovery systems used in any of the following ways: heating process needs in a cogeneration system, for injecting back into gas turbine to raise power output and efficiency in a steam-injected gas turbine cycle (STIG) or expanding through a steam turbine to boost power output and efficiency in a gas turbine/steam turbine combined cycle (GTCC). Gas turbines, unlike steam turbines, are characterized by lower unit capital costs at modest scale, and the most efficient cycles are considerably more efficient than comparably sized steam turbines.

Swot Analysis:

KM Sugar Mills consists of manufacturing and trading facilities of sugar, alcohol and power. Each of its business segments has its own strengths and weaknesses and exposures to a variety of opportunities and threats. The Company has the following SWOT attributes broadly:

Strengths

- Managing Regulations and Business Environment
- High Margins
- First Mover Advantage
- Diverse Product Portfolio of Sugar Industry

Weakness

- Lack of critical talent
- Implementation of Technology in Processes
- Track record on environment consideration is not very encouraging

Opportunities

- Reducing Cost of Market Entry and Marketing into International Markets
- Developments in Artificial Intelligence
- Lucrative Opportunities in International Markets

Threats

- Culture of sticky prices in the industry
- Increasing costs component for working in developed market

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Particulars	Sugar		Distillery		Co-generation		Unallocable		Total	
	2021	2020	2021	2020	2021	2,020	2021	2020	2021	2020
Revenue										
Gross sales	48,296	53,161	5,364	4,926	3,575	4,738	-	-	57,235	62,825
Less: Inter segment sales	4,984	6,456	7	-	1,971	3,234			6,962	9,690
External sales	43,312	46,705	5,357	4,926	1,604	1,504	-	-	50,273	53,135
Add: Other income	382	1,007	62	48	8	4	-	-	451	1,059
Total revenue	43,694	47,712	5,419	4,974	1,612	1,508	-	-	50,724	54,194
Segment results	3,007	4,088	848	275	667	224	-	-	4,522	4,587
Less: Finance cost	1,084	1,764	15	22	-	-	-	-	1,099	1,786
Profit before tax	1,923	2,324	833	253	667	224	-	-	3,423	2,801
Current tax									636	515
Deferred tax									163	443
Profit after tax									2,624	1,843
Other information										
Segment assets	52,595	43,605	6,899	5,561	2,966	3,522	-	-	62,460	52,688
Segment liabilities	38,989	32,849	1,473	629	25	10	629	470	41,116	33,958
Capital Expenditure	1,172	572	140	1,643	2	33	-	-	1,314	2,248
Depreciation and amortisation	817	868	501	436	169	186	-	-	1,487	1,490

*Capital expenditure includes fixed assets capitalized during the year and net increase/decrease in capital work-in-progress.

RISKS AND CONCERNS

The Company has a robust risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. It aims at ensuring that the executive management controls the risk through means of a properly defined framework.

The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Key areas of risks identified and mitigation plans are covered in the Management Discussion and Analysis Report. The Company is not currently required to constitute a Risk Management Committee.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Your Company's approach to talent development is founded on the belief that learning initiatives must remain synergistic and aligned to business outcomes, emphasise experiential learning, provide an enabling and supportive environment and promote learning agility. Deep functional expertise is fostered through immersion in solving complex customer problems by the application of domain expertise early in managerial careers. Key talent is provided critical experiences in high impact roles and mentored by senior managers. Managers are assessed on your Company's behavioural competency framework and provided with learning and development support to address

any areas identified for improvement. As part of your Company's managerial development and capability building strategy, various programmes have been designed and customised to your Company's requirements under these platforms. Your Company has further strengthened its performance management system and its culture of accountability through renewed emphasis on Management by objectives which includes clearly defined goals and outcomes based assessment.

DETAILS OF SIGNIFICANT CHANGES OF 25% OR MORE IN KEY FINANCIAL RATIOS:

(i) Debtors Turnover: Not changed 25% or more as compared to the immediately previous financial year 2019-20.

(ii) Inventory Turnover: It decreased from 1.98 times (previous year) to 1.39 times due to increase in Stock of Finished goods of the Company during the year under review.

(iii) Interest Coverage Ratio: It increased from 2.64 times (previous year) to 4.46 times due to increase in Earnings before Interest and Tax (EBIT) and decrease in interest cost during the year under review.

(iv) Current Ratio: Not changed by 25% or more as compared to the immediately previous financial year.

(v) Debt Equity Ratio: Not changed by 25% or more as compared to the immediately previous financial year

(vi) Operating Profit Margin (%) :- Changed more than 25% from 3.27 % (previous year) to 5.51% during the year under review. The increase in margin is due to decrease in Finance Cost and Expenses.

(vii) Net Profit Margin(%):- Changed more than 25% from 3.47 % (previous year) to 5.22 % during the year under review due to decrease in Finance Cost and Expenses.

DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE PREVIOUS FINANCIAL YEAR:-

Return on Net Worth changed from 14.48 % (previous year) to 17.10 % during the year under review. The change is due to increase in profit during the year under review.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members of K M Sugar Mills Limited
Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **K M Sugar Mills Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 standalone financial statements 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	<p>Valuation of inventory of sugar:</p> <p>As on March 31, 2021, the Company has inventory of sugar with a carrying value INR 33518.51 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative value of inventory in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the Government in valuation of NRV.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, and notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year-end and comparison with cost for valuation of inventory is considered to be reasonable.</p>

2	<p>Contingent Liabilities :</p> <p>There are various litigations pending before various forums against the Company and management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.</p>	<p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> • understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; • discussed with management regarding any material developments and latest status of legal matters; • read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; • examining management's judgements and assessments whether provisions are required; • considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote; • reviewing the adequacy and completeness of disclosures; • Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.
---	---	---

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 these 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 standalone 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 financial controls 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 system 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 standalone financial statements of the current period 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) 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 Standalone financial Statements – Refer Note – 36.5 to the Standalone financial statements;
- ii. the company did not have any long term contract including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Agiwal & Associates**

Chartered Accountants
Firm Registration No.: 000181N

P. C. Agiwal

Partner

M. No.: 080475

UDIN: 21080475AAAAEE9452

Place: New Delhi

Date: 08.06.2021

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the Standalone financial statements of K M Sugar Mills Limited for the year ended March 31, 2021, we report that:

(i) In respect of its fixed assets:

- (a) The Company has generally maintained records to show particulars, including quantitative details and situation of fixed assets but its updation is in progress;
 - (b) The fixed assets covering significant value were physically verified during the year by the management at such intervals which in our opinion, provides for the physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management to the extent practicable at reasonable intervals during the year and as explained, there was no material discrepancies noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company is in compliance with the provisions of section 185 and 186 of Companies Act, 2013 as on 31.03.2021 with respect to the loans, investments, guarantees and security provided by it.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there-under are not applicable to the Company.

- (vi) In our opinion and according to the information and explanations given to us, specified cost accounts and records as prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013, have been prima facie made and maintained by the company. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable except some small delays.

According to the information and explanations given to us, no undisputed dues were in arrears as at March 31, 2021 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax, and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Gross demand Amount (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which it pertain	Forum where dispute is pending
Entry Tax Act	Entry Tax	1.34	1.34	2012-13	Additional Commissioner (Appeal), Commercial Tax, Faizabad
Value Added Tax	VAT	2.04	2.04	2013-14	Additional Commissioner (Appeal), Faizabad
Value Added Tax	VAT	5.23	2.09	2014-15	Additional Commissioner (Appeal), Faizabad
Value Added Tax	VAT	9.22	4.61	2015-16	Additional Commissioner (Appeal), Faizabad
Value Added Tax	VAT	12.48	4.99	2016-17	Additional Commissioner (Appeal), Faizabad
Central Sales Tax	CST	0.66	-	2017-18	Additional Commissioner (Appeal), Commercial Tax, Faizabad

- (viii) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of loans / borrowings to the financial institutions, banks, Government or a debenture holders at the end of year.
- (ix) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which those were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and

details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) As per our information, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

for **Agiwal & Associates**

Chartered Accountants

Firm Registration No.: 000181N

P. C. Agiwal

Partner

M. No.: 080475

UDIN: 21080475AAAAEE9452

Place: New Delhi

Date: 08.06.2021

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **K M Sugar Mills Limited ("the Company")** as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For **Agiwal & Associates**

Chartered Accountants
Firm Registration No.: 000181N

P. C. Agiwal
Partner

Place: New Delhi
Date: 08.06.2021

M. No.: 080475

UDIN: 21080475AAAAEE9452

Standalone Balance Sheet for the year ended 31st March, 2021

(Rs. in lakhs)

Particulars	Notes No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
(1) Non current assets			
(a) Property, plant and equipment	3	15,830.80	16,036.54
(b) Capital work in progress	3A	815.76	35.67
(c) Intangible assets	3B	0.57	1.47
(d) Financial assets			
(i) Loans	4	369.97	379.90
(ii) Investments	5	2,371.68	2,742.74
(iii) Other financial assets	6	245.71	223.57
(e) Non current tax assets (net)	7	24.47	128.54
(f) Other non current assets	8	34.26	46.75
Total non current assets		19,693.22	19,595.18
(2) Current assets			
(a) Inventories	9	36,135.82	26,771.62
(b) Financial assets			
(i) Investments	10	1.82	1.53
(ii) Trade and other receivables	11	1,956.85	2,079.40
(iii) Cash and cash equivalents	12	540.59	372.15
(iv) Bank balances other than cash and cash equivalents	12A	43.26	77.85
(v) Other financial assets	13	3,359.24	2,810.42
(c) Other current assets	14	729.03	979.80
Total current assets		42,766.61	33,092.77
Total assets		62,459.83	52,687.95
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	1,840.00	1,840.00
(b) Other equity	16	19,504.06	16,889.58
Total equity		21,344.06	18,729.58
LIABILITIES			
(1) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	4,049.48	4,414.91
(ii) Other financial liabilities	18	182.19	197.57
(b) Other non current liabilities	19	305.52	485.27
(c) Deferred tax liabilities (net)	20	628.63	469.79
(d) Provisions	21	476.50	488.41
Total non current liabilities		5,642.32	6,055.95
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	13,886.99	10,473.40
(ii) Trade and other payables	23	17,596.96	11,915.90
(iii) Other financial liabilities	24	3,318.58	3,697.63
(b) Other current liabilities	25	635.56	1,748.85
(c) Provisions	21	35.36	66.64
Total current liabilities		35,473.45	27,902.42
Total equity and liabilities		62,459.83	52,687.95

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 36 form an integral part of standalone financial statements

As per our report of even date attached

For Agiwal & Associates

Chartered Accountants

F.R. No 000181N

CA P. C. Agiwal

Partner

M. No.080475

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director

DIN-02461954

A. K. Gupta

Chief Financial Officer

Aditya Jhunjunwala

Managing Director

DIN-01686189

Pooja Dua

Company Secretary

M. No. A50996

Place : New Delhi

Date : 8th June, 2021

Place : Lucknow

Date : 8th June, 2021

Standalone statement of Profit and Loss for the year ended 31st March, 2021

(Rs. in lakhs)

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I Revenue From Operations	26	50,273.15	53,135.08
II Other Income	27	451.36	1,059.20
III Total Income (I+II)		50,724.51	54,194.28
IV EXPENSES			
Cost of materials consumed	28	43,932.87	37,758.49
Purchase of stock in trade	29	1,823.67	1,664.81
Changes in inventories of finished goods, by-products and work-in-progress	30	(9,367.75)	(77.58)
Employee benefit expenses	31	1,411.50	1,350.58
Finance costs	32	1,098.78	1,786.30
Depreciation and amortisation expenses	33	1,486.65	1,490.54
Other expenses	34	6,915.76	7,420.16
Total expenses		47,301.48	51,393.30
V Profit/(loss) before exceptional items and tax (III-IV)		3,423.03	2,800.98
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		3,423.03	2,800.98
VIII Tax expenses :	35		
Current tax		635.54	518.08
Tax expense of earlier year		0.17	(3.59)
Deferred tax		163.20	443.34
		798.91	957.83
IX Profit (Loss) for the period (VII-VIII)		2,624.12	1,843.15
X Other Comprehensive Income :			
(i) Items that will not be reclassified to profit and loss :			
Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation		(9.92)	(40.33)
Gain / (Loss) arising on fair valuation of fixed assets		-	21.33
Gain / (Loss) arising on fair valuation of equity instruments		(7.42)	(0.55)
(ii) Income tax relating to items that will not be reclassified to profit and loss		4.36	9.29
		(12.98)	(10.26)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		2,611.14	1,832.89
XII Earnings per equity share (Equity share of Rs. 2/- each)			
(1) Basic		2.85	2.00
(2) Diluted		2.85	2.00

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 36 form an integral part of standalone financial statements

As per our report of even date attached

For Agiwal & Associates
Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal
Partner
M. No.080475

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

A. K. Gupta
Chief Financial Officer

Aditya Jhunjunwala
Managing Director
DIN-01686189

Pooja Dua
Company Secretary
M. No. A50996

Place : New Delhi
Date : 8th June, 2021

Place : Lucknow
Date : 8th June, 2021

Standalone Statement of Cash Flows for the year ended 31st March, 2021

(Rs. in lakhs)

S.No.	Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
A.	Cash flow from operating activities				
	Profit/(loss) before tax		3,423.03		2,800.98
	Adjustment to reconcile profit before exceptional items and extraordinary items and tax to net cash flow provided by operating activities:				
	Depreciation and amortisation expense	1,486.65		1,490.54	
	Finance costs	1,098.78		1,786.30	
	Transfer to storage fund for molasses	3.34		3.31	
	Provision/(reversal) of doubtful debts	(2.46)		(14.51)	
	Balances written off	29.07		25.93	
	Interest Income	(22.75)		(50.78)	
	Government Grant	(179.75)		(354.71)	
	Fair valuation on investment and others	403.61		(2.28)	
	Loss/(Profit) on sale of property, plant and equipments	8.10		0.68	
	Unspent liabilities/balances written back	(56.39)		(107.06)	
	Other expenses/(income)	(19.97)		(15.69)	
	Remeasurement of defined benefit obligation	(9.92)	2,738.31	(40.33)	2,721.40
	Operating Profit before working capital changes		6,161.34		5,522.38
	Adjustment to reconcile operating profit to cash flow provided by change in working capital				
	(Increase)/Decrease in trade and other receivables	122.54		684.76	
	(Increase) / Decrease in inventories	(9,364.21)		(173.18)	
	(Increase) / Decrease in Current & Non current Assets	416.41		64.89	
	(Increase) / Decrease in financial Assets	(515.15)		(2,637.94)	
	Increase / (Decrease) in trade payables & Others	5,737.45		(6,541.98)	
	Increase / (Decrease) in current & non current liabilities	(1,293.03)		1,053.52	
	Increase / (Decrease) in other financial liabilities	21.23		2,235.32	
	Increase / (Decrease) in provisions	(43.18)		17.94	
			(4,917.94)		(5,296.67)
	Cash generated from operations		1,243.40		225.71
	Tax expense		(531.64)		(544.35)
	Cash flow before exceptional and extraordinary items		711.76		(318.64)
	Net cash generated from operating activities (A)		711.76		(318.64)
B.	Cash Flow from investing activities				
	Addition to property, plant and equipment (including capital work in progress) (Net)	(2,068.20)		(1,578.98)	
	Investment in equity and other (Net)	(40.28)		(1,241.56)	
	Interest income received	11.47	(2,097.01)	37.33	(2,783.21)
	Net cash used in investing activities (B)				

Standalone Statement of Cash Flows for the year ended 31st March, 2021

(Rs. in lakhs)

S.No.	Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
C.	Cash flow from financing activities				
	Proceed/(Repayments) of long term borrowings	(721.28)		821.73	
	Proceeds/(Repayments) of short term borrowings	3,413.59		4,002.95	
	Finance cost paid	(1,138.62)	1,553.69	(1,858.37)	2,966.31
	Net cash from financing activities (C)				
	Net increase in cash & cash equivalents (A+B+C)		168.44		(135.54)
D.	Opening cash and cash equivalents		372.15		507.69
E.	Closing cash and cash equivalents for the purpose of cash flow statement (Refer Note No.12)		540.59		372.15
	Increase in cash & cash equivalents (D-E)		168.44		(135.54)

Notes:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard on Statement of Cash Flows (Ind As -7).

2) Cash and cash equivalents at year end comprises:

Cash on hand	7.55	5.82
Cheque on hand	0.69	-
Balances with scheduled banks		
- current accounts	532.33	286.33
- In EPFC Account	0.02	
Deposit with bank original maturity less than 3 month	-	80.00
	540.59	372.15

Supplementary Information

- Restricted Cash Balance (NOTE 12A)*

* amount not included in cash and cash equivalent

As per our report of even date attached

For Agiwal & Associates

Chartered Accountants

F.R. No 000181N

CA P. C. Agiwal

Partner

M. No.080475

Place : New Delhi

Date : 8th June, 2021

For and on behalf of Board of Directors**S. C. Agarwal**

Executive Director

DIN-02461954

A. K. Gupta

Chief Financial Officer

Place : Lucknow

Date : 8th June, 2021

Aditya Jhunjunwala

Managing Director

DIN-01686189

Pooja Dua

Company Secretary

M. No. A50996

Standalone Statement of change in equity for the year ended 31st March, 2021

(a) Equity Capital

Particulars	Number	Amount in Rs.
AT 31st March, 2021	92000170	18,40,00,340
AT 31st March, 2020	92000170	18,40,00,340

(b) Other equity

(Rs. in lakhs)

Description	General Reserve	Initial Depreciation Reserve	Mo-lasses Storage Fund	Sugar Price Equalisation Reserve	Securities Premium Account	Retained Earning	Items of Other Comprehensive Income			Total
							Revaluation reserve	FVTOCI reserve	Gain / Loss arising on actuarial valuation of defined benefit	
As at April 01, 2019	1,178.18	1.72	16.00	12.40	2,688.01	5,145.52	6,057.83	(6.48)	(39.80)	15,053.38
Profit for the period	-	-	-	-	-	1,843.15	-	-	-	1,843.15
Other Comprehensive Income	-	-	-	-	-	-	16.37	(0.39)	(26.24)	(10.26)
Transfer to Molasses Fund	-	-	3.31	-	-	-	-	-	-	3.31
Transfer to retained earning	-	-	-	-	-	1.66	(1.66)	-	-	-
As at March 31, 2020	1,178.18	1.72	19.31	12.40	2,688.01	6,990.33	6,072.54	(6.87)	(66.04)	16,889.58
Profit for the period	-	-	-	-	-	2,624.12	-	-	-	2,624.12
Other Comprehensive Income	-	-	-	-	-	-	-	(5.55)	(7.43)	(12.98)
Total Comprehensive Income	1,178.18	1.72	19.31	12.40	2,688.01	9,614.45	6,072.54	(12.42)	(73.47)	19,500.72
Transfer to Molasses Fund	-	-	3.34	-	-	-	-	-	-	3.34
Transfer to retained earning	-	-	-	-	-	1.41	(1.41)	-	-	-
As at March 31, 2021	1,178.18	1.72	22.65	12.40	2,688.01	9,615.86	6,071.13	(12.42)	(73.47)	19,504.06

As per our report of even date attached

For Agiwal & Associates

Chartered Accountants

F.R. No 000181N

CA P. C. Agiwal

Partner

M. No.080475

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director

DIN-02461954

A. K. Gupta

Chief Financial Officer

Aditya Jhunjunwala

Managing Director

DIN-01686189

Pooja Dua

Company Secretary

M. No. A50996

Place : New Delhi

Date : 8th June, 2021

68 | **K. M. Sugar Mills Limited**

Place : Lucknow

Date : 8th June, 2021

Notes forming part of Standalone Financial Statement

1. Corporate Information

K M Sugar Mills Limited ("the Company") having Corporate Identity Number ("CIN") L15421UP1971PLC003492 is a public limited company incorporated and domiciled in India and has its registered office situated at 11, Moti Bhawan, Collectorganj, Kanpur, Uttar Pradesh – 208001, India.

The Company's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Company is engaged in sugar manufacturing. The principal activity of the Company is manufacturing and sale of sugar. Besides this, the allied business activities undertaken by the Company primarily consists of manufacturing and sale of Ethanol, Ethyl Alcohol, generation of power using bagasse, and manufacturing and sale of sanitizers.

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

2.2 Basis of Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- (i) Certain financial assets and financial liabilities measured at fair value and
- (ii) Defined benefits plan - plan assets measured at fair value.

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are considered as non-current.

2.3 Use of Estimates

The preparation of the Financial Statements in conformity with measurement principle under Ind AS requires the management to make estimates, judgment and assumptions that affect the application of accounting policies and the reported amounts

of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

Estimates, judgments and assumptions are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and are believed to be reasonable under the circumstances.

The Company based its estimates, judgments and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The application of accounting policies that require critical judgments and accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed herein below:

(i) Estimated useful life of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on technical evaluation, historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

(ii) Current taxes and deferred taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of provision for income taxes.

Deferred tax assets are recognized for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan 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 financial year end.

Notes forming part of Standalone Financial Statement

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

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.

(iv) Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the discounted cash flow (DCF) model. The company uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year.

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. Judgment includes 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.

2.4 Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

- (a) All property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. For this purpose, cost includes deemed cost on the date of transition and the purchase cost of assets, including non recoverable duties and taxes, and any directly attributable cost of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets is capitalized as part of cost of the asset until such time that the asset is ready for its intended use.
- (b) Costs incurred subsequent to initial capitalization are included in the asset's carrying amount only when it is probable that future economic benefits associated therewith will flow to the Company and it can be measured reliably.

The estimated useful lives considered are as follows:

Category	31 st March, 2021
Buildings	03-60 years
Roads	03-10 years
Plant & Machinery	05-25 years
Furniture & Fixtures	10 years
Vehicles	05-10 years
Office Equipments	5 years
Computers	03-06 years
Laboratory Equipments	05-10 years
Electrical Installations and Equipment	10 years

The costs of regular servicing of property, plant and equipment are recognized in the Statement of Profit & Loss as and when incurred.

When parts of property, plant and equipment have different useful lives, they are accounted for as separate components, otherwise these are added to and depreciated over the useful life of the main asset.

The cost and the accumulated depreciation are eliminated from the financial statements upon sale or when no future economic benefits are expected to arise from use of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss.

(c) Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Lease-hold land and lease hold improvements are amortised over the lower of estimated useful life and lease term.

Depreciation on other items of property, plant and equipment commences when its assets are available for their intended use.

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016. In the financial year 2018-19 and 2019-20, the company has revalued the lease hold assets as well as free hold assets considering entire class of land.

Depreciation on Property, plant and equipment (PPE) is provided on written down value method as prescribed under Part C of Schedule II to the Companies Act, 2013. The additional depreciation, on increase in cost on account of revaluation, is transferred to Retained Earnings from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

Useful life of assets are considered on the base is of Schedule-II of Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes forming part of Standalone Financial Statement

Each item of property, plant and equipment individually costing Rs. 5,000/- or less is depreciated over a period of one year from the date the said asset is available for use. However, in case of certain assets for staff individually costing more than Rs. 5,000/- are depreciated over the period of one year based on management estimates.

The residual value of an item of property, plant and equipment has been kept at $\leq 5\%$ of the cost of the respective assets.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(d) Expenditure during construction period

Directly attributable expenditure (including finance cost related to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under Capital work-in-progress. Capital work-in-progress is stated at the amount incurred upto the Balance Sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

2.5 Intangible assets (Computer Software)

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost since 1st April, 2016. Computer software if any purchased during the year has been stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

The estimated useful lives, residual values and amortization method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

The cost and related accumulated amortization are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Intangible assets: Computer software is amortized over a period of three years.

2.6 Revenue Recognition and Expenses

- (i) Effective April 1st, 2018, the company adopted Ind AS-115, revenue from contracts with customer using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services and goods are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on supply and service contracts are recognized as the related performance obligation is completed.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

- (ii) Insurance claims have been accounted for on cash basis looking in to the uncertainty and its collection as per past practice.
- (iii) Interest Income is accounted for on time proportionate basis. For all debt instruments measured at amortized cost, interest income is recognized using the Effective Interest Rate ("EIR"). Interest Income is included in "Other Income" in the Statement of Profit and Loss.
- (iv) Dividend Income is recognized when the Company's right to receive the dividend is established i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by shareholders.
- (v) All expenses are accounted for on accrual basis.

2.7 Inventory

Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventory.

Inventories are valued as under:

- Raw Materials and Finished Goods (except molasses) are carried at lower of cost and net realizable value. Stock of Molasses is carried at net realizable value.
- Stores & Spares are carried at cost.
- Goods in Process / WIP are carried at lower of cost and net realizable Value.
- Banked power with UPPCL is carried at lower of cost and net realizable value.

Notes forming part of Standalone Financial Statement

Cost for the purpose of valuations of raw material and components, stores & spares are considered on following basis:

Manufacturing Units	Basis
Sugar - Raw Material	First in First Out
Stores & Spares and other components	Weighted Average
Trading Goods	First in First Out
Distillery- Raw Material	First in First Out
Stores & Spares Other components	Weighted Average
Co-generation - Raw Material	First in First Out

2.8 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Notes forming part of Standalone Financial Statement

Financial assets

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 profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

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

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' 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 the asset 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 on the principal amount outstanding.

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.

Equity investments

All equity investments in the scope of Ind AS-109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI 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 at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Preference Share

The fair value of the investments made in a subsidiary company is determined using cost model as prescribed IND AS 27, Fair value of preference share in other company has been determined on the basis of amortized cost. The discount rate has been taken at is incremental borrowing rate for the company after considering percentage of dividend. Difference between the actual cost and amortized cost is accounted for under "Finance cost" as Gain/ loss arising on fair valuation of preference share and unwinding of interest is accounted for under "Other income"

De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

2.10 Employees Benefits

(i) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

(ii) Post employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Notes forming part of Standalone Financial Statement

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

(iii) Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

2.11 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consists of interest and other costs that the Company incurs in connection with the borrowing of funds.

All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

2.12 Dividend payable

Dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognized directly in equity.

2.13 Government Grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants related to property, plant and equipment are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

The benefit of government loan at a below-market rate of interest or loan with interest subvention is treated as a government grant. The Difference between the market rate of interest and actual rate of interest is treated as government grant.

2.14 Financial Derivatives and Commodity Hedging Transactions

Financial Derivatives and commodity hedging contracts are accounted for on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the Statement of Profit & Loss, along with the underlying transactions.

2.15 Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date the transaction first qualifies for recognition. Monetary items denominated in foreign currency at the year end are translated at year end rates.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of initial transaction.

In respect of monetary items which are covered by forward exchange contracts, the difference between the year end and the rate on the date of contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract.

The exchange differences arising on settlement/translation are recognized in the Statement of Profit and Loss.

2.16 Taxes on Income

(a) Current Tax

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Notes forming part of Standalone Financial Statement

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which 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 measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

The company has revalued its lease hold property but deferred tax liabilities is not recognized on the ground that the company does not have sale / transfer right with regard to lease hold land.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

2.17 Impairment of Assets

Non financial Assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).

Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit or loss. ECL impairment loss allowance is measured at an amount equal to lifetime ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income or expense in the Statement of Profit and Loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet.

The allowances are reduced from the carrying amount. Until the asset meets write-off criteria, the Company does not adjust impairment allowance from the gross carrying amount.

2.18 Provisions, Contingent Liabilities and Contingent Assets

- Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- Provisions are not recognized for future operating losses.
- Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- A contingent asset is not recognized in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.
- Provisions and contingent liabilities are reviewed at each balance sheet date.

2.19 Investment Property

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business. Owner-occupied property is property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes. Investment properties are accounted for in the books at cost. However, fair value of such property is required to be disclosed only in accordance with Ind AS-40.

2.20 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisational structure and internal reporting system.

2.21 Earnings Per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

Notes forming part of Standalone Financial Statement

2.22 Cash and Cash Equivalents

Cash and cash equivalents Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management.

2.23 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing flows. The cash flows operating, investing and financing activities of the company are segregated.

2.24 Leases

Effective April 01st, 2019, the Company has adopted Ind-AS 116 "Leases", applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company recognizes right-of-use asset at the date of initial application. The right-of-use asset is measure equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company evaluates, if an arrangement qualifies to be a lease as per the requirements of Ind AS-116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Notes forming part of Standalone Financial Statement

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as

income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

For Agiwal & Associates

Chartered Accountants

F.R. No 000181N

CA P. C. Agiwal

Partner

M. No.080475

Place : New Delhi

Date : 8th June, 2021

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director

DIN-02461954

A. K. Gupta

Chief Financial Officer

Place : Lucknow

Date : 8th June, 2021

Aditya Jhunjunwala

Managing Director

DIN-01686189

Pooja Dua

Company Secretary

M. No. A50996

Notes forming part of Consolidated Financial Statement

(Rs. in lakhs)

Note 3: Property, Plant and Equipment

Particulars	Right of Use assets	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Gross Block									
Balance as at 1st April, 2019	6,063.46	810.13	834.27	25,728.37	465.01	980.84	134.33	128.73	35,145.14
Additions	-	42.30	162.80	1,995.03	22.76	14.69	7.07	2.87	2,247.52
Fair valuation	-	21.33	-	-	-	-	-	-	21.33
Disposal/Deduction	-	-	-	82.51	-	6.30	-	-	88.81
Balance as at 31st March, 2020	6,063.46	873.76	997.07	27,640.89	487.77	989.23	141.40	131.60	37,325.18
Additions	12.30	31.41	177.53	1,059.05	13.21	0.45	14.37	5.93	1,314.25
Fair valuation	-	-	-	-	-	-	-	-	-
Disposal/Deduction	-	-	-	412.36	-	27.17	0.45	-	439.98
Balance as at 31st March, 2021	6,075.76	905.17	1,174.60	28,287.58	500.98	962.51	155.32	137.53	38,199.45
Accumulated depreciation									
Balance as at 1st April, 2019	-	-	491.41	18,208.32	298.80	663.83	104.87	119.80	19,887.03
Depreciation for the year	239.38	-	83.34	936.10	47.59	101.32	14.37	4.96	1,427.06
Depreciation due to obsolescence	-	-	12.19	48.61	0.15	0.09	-	-	61.04
Disposal/Deduction	-	-	-	81.87	-	4.62	-	-	86.49
Balance as at 31st March, 2020	239.38	-	586.94	19,111.16	346.54	760.62	119.24	124.76	21,288.64
Depreciation for the year	245.02	-	114.16	987.84	38.88	71.02	12.67	3.97	1,473.56
Amortisation (due to depletion in value)	-	-	12.19	-	-	-	-	-	12.19
Disposal/Deduction	-	-	-	378.83	-	26.48	0.43	-	405.74
Balance as at 31st March, 2021	484.40	-	713.29	19,720.17	385.42	805.16	131.48	128.73	22,368.65
Net Carrying amount									
Property, Plant and Equipment									
Net Carrying Amount	Right of Use assets	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
As at 31st March, 2020	5,824.08	873.76	410.13	8,529.73	141.23	228.61	22.16	6.84	16,036.54
As at 31st March, 2021	5,591.36	905.17	461.31	8,567.41	115.56	157.35	23.84	8.80	15,830.80

Notes forming part of Standalone Financial Statement

Note 3A Capital work in progress

(Rs. in lakhs)

Description	Amount
Balance as at 01st April, 2019	702.57
Additions	1,357.98
Capitalisation	2,024.88
Balance as at 31st March, 2020	35.67
Additions	1,916.88
Capitalisation	1,136.79
Balance as at 31st March, 2021	815.76

Note 3B Intangible Assets

(Rs. in lakhs)

Description	Amount
Gross carrying amount as at 01st April, 2019	29.82
Additions	
Deductions	-
Balance as at 31st March, 2020	29.82
Additions	-
Deductions	-
Balance as at 31st March, 2021	29.82
Accumulated balance as at 01st April, 2019	25.91
Depreciation for the year	2.44
Depreciation adjustment	-
Deduction	-
Balance as at 31st March, 2020	28.35
Depreciation for the year	0.90
Balance as at 31st March, 2021	29.25
Net carrying amount	-
As at 31st March, 2020	1.47
As at 31st March, 2021	0.57

Note 4 Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Carried at amortised cost				
Security Deposit (unsecured considered good)	-	369.97	-	379.90
Total	-	369.97	-	379.90

Notes forming part of Standalone Financial Statement

Note 5 Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Equity Instruments		
(1) Measured at cost		
Unquoted		
In equity shares of companies fully paid up		
Subsidiary company		
50,000 nos. of shares having face value of Rs. 10 each in KM Sprits and Allied Industries Ltd.	5.00	5.00
(2) Designated at Fair Value through other comprehensive income		
Unquoted		
(a) 1000 nos. of shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd.	0.10	0.10
(b) 25000 nos. of shares having face value Rs.10 each in K.M Shakar Karkhana Pvt Ltd.	4.70	3.96
(c) 2,000 nos. of shares having face value of Rs. 10 each in HH Foundation	-	0.20
(d) 10,90,000 nos. having face value of Rs. 10 each in Sonar Casting Ltd.	99.71	107.69
(ii) Preference share (Measured at amortised cost)		
In 12% Non-cumulative redeemable preference shares fully paid up		
2,04,00,000 (P.Y. 2,00,00,000) nos. of Preference Share having face value of Rs.10 each in Sonar Casting Ltd.	1,634.39	2,000.00
In 9% Non-cumulative redeemable preference shares fully paid up		
(a) 38,50,000 nos. of preference shares having face value of Rs. 10 each in Brahma Properties Pvt. Ltd.	333.53	332.51
(b) 33,89,215 nos. of preference shares having face value of Rs. 10 each in K M Energy Pvt. Ltd.	294.25	293.28
Total	2,371.68	2,742.74
Aggregate carrying value of unquoted investments	2,822.73	2,740.73
Aggregate fair value of unquoted investments	2,371.68	2,742.74

Note 6 Other Financial Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposit with banks		
Original maturity more than 12 months	174.39	174.38
Fixed deposit for guarantee (Earmarked)		
Original maturity more than 12 months	54.69	43.84
Interest accrued	16.63	5.35
Total	245.71	223.57

Note 7 Non current Tax Asset (Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Tax (net of provision)	656.96	627.13
TDS Receivable	3.05	19.49
	660.01	646.62
Less:- Provision for Income Tax for current year	635.54	518.08
Total	24.47	128.54

Notes forming part of Standalone Financial Statement

Note 8 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Capital advances		19.19		17.95
Advance to suppliers and others				
Considered Good				
Considered doubtful	221.54		224.14	
Less: Allowance for doubtful advance	221.54	-	224.14	-
Others				
Duties and Taxes Paid under protest		15.07		10.79
Upfront fee		-		18.01
Total		34.26		46.75

Note 9 Inventories

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Raw materials	2.72	8.62
(b) Finished Goods *	35,167.62	25,851.48
(c) Work in progress	412.60	360.99
(d) Stores and spares	552.88	550.53
Total	36,135.82	26,771.62

(Refer Note No. - '2.8' for Method of Valuation)

Note 10 Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Measured at Fair Value through OCI		
Investment in SBI Mutual Fund	1.82	1.53
5316.206 units of SBI Saving Fund (P.Y. Nil), Nil units of SBI Liquid Fund (P.Y 49.421 units)		
Total	1.82	1.53

Note 11 Trade and other receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
- Unsecured				
Considered Good		0.52		335.78
Considered Doubtful	30.38		30.24	
Less:- Allowance for expected credit losses	30.38	-	30.24	-
		0.52		335.78
Others				
Considered Good		1,956.33		1,743.62
Total		1,956.85		2,079.40

Notes forming part of Standalone Financial Statement

Note 12 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Balances with Banks				
In current Account	532.33		286.33	
In EEFC Account	0.02		-	
Fixed deposit with Bank upto 3 months	-	532.35	80.00	366.33
Cheques/draft on Hand		0.69		-
Cash in hand*		7.55		5.82
Total		540.59		372.15

**As certified by the management*

Note 12A Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposits with banks (Earmarked)		
Pledged with bank for bank guarantee original maturity period upto 12 months	5.81	-
Pledged with bank for bank guarantee maturing within 12 months	17.41	58.55
For molasses storage fund original maturity period upto 12 months	20.04	-
Fixed deposits with banks maturity period upto 12 months	-	1.00
Molasses storage Fund in SB account (Earmarked)	-	18.30
Total	43.26	77.85

Note 13 Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Interest receivable	10.47	216.02
(b) Assistance receivable*	3,348.77	2,594.40
Total	3,359.24	2,810.42

*Refer Note No.36.22 and 36.23

Note 14 Other current assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
(a) GST and other taxes receivable		201.84		390.27
(b) Security Deposit				
Considered Good		38.14		27.94
Considered Doubtful	16.00		16.00	
Less: Allowance for expected credit loss	16.00	-	16.00	-
(c) Advance to employees		15.05		8.37
(d) Advances for supply of goods & services		173.35		219.75
(e) Prepaid Expenses		297.29		333.12
(g) Others		3.36		0.35
Total		729.03		979.80

Notes forming part of Standalone Financial Statement

Note 15 Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Share Capital				
Equity Shares of Rs. 2/- each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Issued capital				
Equity Share Capital				
Equity Shares of Rs. 2/- each	9,20,00,170	1,840.00	9,20,00,170	1,840.00
Subscribed and paid up capital				
Equity Share Capital				
Equity Shares of Rs. 2/- each	9,20,00,170	1,840.00	9,20,00,170	1,840.00

Reconciliation of number of shares outstanding and the amount of share capital outstanding

i) Equity share capital

(Rs. in lakhs)

Particulars	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00

ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of Issued, subscribed and paid up equity shares having a par value of INR 2/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of the Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	Percentage of shareholding	No. of Shares held	Percentage of shareholding
Equity shares of INR 2/- each fully paid up				
Mr. L. K. Jhunjhunwala	1,43,02,600	15.55	1,38,02,600	15.00
L. K. Jhunjhunwala (HUF)	1,00,65,900	10.94	1,00,65,900	10.94
Mr. Aditya Jhunjhunwala	48,39,242	5.26	48,39,242	5.26
Marvel Business Pvt. Ltd.	1,22,44,253	13.31	1,21,41,040	13.20

Notes forming part of Standalone Financial Statement

Note 16 Other equity

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
General Reserve		
Opening balance	1,178.18	1,178.18
Add: Changes during the year	-	-
Closing balance	1,178.18	1,178.18
Initial Depreciation Reserve		
Opening balance	1.72	1.72
Add: Changes during the year	-	-
Closing balance	1.72	1.72
Molasses Storage Fund		
Opening balance	19.31	16.00
Add: Changes during the year	3.34	3.31
Closing balance	22.65	19.31
Sugar Price Equalisation Reserve		
Opening balance	12.40	12.40
Add Changes during the year	-	-
Closing balance	12.40	12.40
Securities Premium Account		
Opening balance	2,688.01	2,688.01
Add Changes during the year	-	-
Closing balance	2,688.01	2,688.01
Retained Earnings		
Opening balance	6,990.33	5,145.52
Add: Profit/ Loss during the year	2,624.12	1,843.15
Add: Transfer from Other Comprehensive Income	1.41	1.66
Closing balance	9,615.86	6,990.33
Comprehensive Income		
Opening balance	5,999.63	6,011.55
Add Changes during the year	(12.98)	(10.26)
Less: Transfer to Retained Earnings	(1.41)	(1.66)
Closing balance	5,985.24	5,999.63
Total	19,504.06	16,889.58

Notes forming part of Standalone Financial Statement

Note 17 Borrowings

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Long term borrowings				
Carried at Amortised cost				
From Banks				
Secured				
Rupee term loans				
State Bank of India Soft Loan	-	-	575.00	1,712.62
Punjab National Bank Soft Loan	-	-	989.24	-
Punjab National Bank covid Loan	328.80	30.97	-	-
State Bank of India GECL 2.0	136.56	2,048.44	-	-
State Bank of India Covid Loan	743.03	62.33	-	-
State Bank of India -U.P Govt. SEFASU Loan	955.19	1,907.74	955.19	2,702.29
Total	2,163.58	4,049.48	2,519.43	4,414.91

Nature of securities

- (1) Rupee Term Loan (Soft loans) of State Bank of India and Punjab National Bank are secured by extension of first charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of three directors in case of SBI loan and Personal guarantee of two directors in case of PNB.
- (2) Rupee Term Loan of State Bank of India (U.P. Govt. SEFASU Loan) is secured by first charge on entire fixed assets of the company, present and future, on pari passu basis with other term lenders.
- (3) Rupee Term Loan of State Bank of India (GECL) is secured by second charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of three directors.
- (4) Rupee Term Loan, Common Covid 19 Emergency Credit Line loan (CCECL), from State Bank of India and Punjab National Bank are secured by way of hypothecation and pari passu first charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohol, book debts and other current assets of the company, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of three Directors.

Terms of Repayment

Name of the banks / entities	Interest Rate (%)	Amount Outstanding as on 31, March, 2021		1-5 years	5 years and above
		Current	Non Current		
SBI SEFASU Loan-2018 @ 5%	5.00	955.19	2,149.17	2,149.17	-
SBI GECL	7.95	136.56	2,048.44	2,048.44	-
SBI Common Covid 19 loan	7.40	743.03	62.33	62.33	-
PNB Covid 19 loan	8.25	328.80	30.97	30.97	-
Total		2,163.58	4,290.91	4,290.91	-

Rate of interest has been disclosed for loans which are outstanding on balance sheet date and in case of default, penal interest are charged as per sanction.

Subsidised loan taken from bank and Government has been amortised using effective interest rate and maturity profile of loan is as per repayment schedule.

Notes forming part of Standalone Financial Statement

Note 18 Other financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Corporate Guarantees issued (Refer Note 36.1)	-	182.19	-	197.57
Total	-	182.19	-	197.57

Note 19 Other non current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Government Grant	291.02	470.77
Other payable	14.50	14.50
Total	305.52	485.27

Note 20 Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liabilities		
Depreciation	972.28	1,311.13
Total A	972.28	1,311.13
Deferred Tax Assets		
Expenses allowable for tax purpose when paid	79.03	136.98
MAT credit entitlement	-	545.49
Others	264.62	158.87
Total B	343.65	841.34
Total A-B	628.63	469.79

*Refer Note 35 and 36.31

Note 21 Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Provisions for employees benefits				
Unavailed leave	11.02	24.66	27.85	36.56
Gratuity	24.34	-	38.79	-
Other Provision *	-	451.84	-	451.85
Total	35.36	476.50	66.64	488.41

* Includes duties, taxes and penalty levied by Commissioner of Excise, Bihar

Notes forming part of Standalone Financial Statement

Note 22 Borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Short Term borrowings		
Loan repayable on demand		
Working capital loans		
From banks		
Secured		
State Bank of India	8,952.58	4,110.69
Punjab National Bank	4,934.41	4,466.86
District Co-operative Bank Limited	-	1,895.85
Total	13,886.99	10,473.40

Summary of short term borrowings

Secured borrowings

Nature of Securities

- Working capital loans from State Bank of India is secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohol, book debts and other current assets of the company, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of three directors.
- Working capital loan from Punjab National Bank is secured by pledge of stock of Crystal sugar, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of three directors.
- Working capital loan from District Co-operative Bank Ltd., Faizabad is secured by pledge of stock of Crystal sugar, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of a director.

Note 23 Trade and other payables

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non current	Current	Non current	Current
(i) Total outstanding dues of micro enterprises and small enterprises	-	45.25	-	5.03
(ii) Other than micro enterprises and small enterprises	-	17,551.71	-	11,910.87
Total	-	17,596.96	-	11,915.90

Note 24 Other financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non current	Current	Non current	Current
Current maturities of long term debt*	-	2,163.58	-	2,519.43
Interest accrued but not due on borrowings	-	13.21	-	72.87
Interest accrued and due on borrowings	-	19.83	-	-
Payable to capital goods supplier	-	345.33	-	357.33
Security Deposit	-	293.53	-	290.92
Salary and other payables to employees	-	150.06	-	125.79
Other payable	-	333.04	-	331.29
Total	-	3,318.58	-	3,697.63

*Refer Note No. 17 for nature of securities and term of repayment respectively

Notes forming part of Standalone Financial Statement

Note 25 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory liabilities	154.23	423.39
Deferred government grant	88.68	88.68
Advances from customers	54.76	919.67
Outstanding liability of related parties	337.89	317.11
Total	635.56	1,748.85

Note 26 Revenue from operations

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of goods		
Sugar*	39,212.92	41,332.04
Molasses	85.30	61.41
Bagasse	1,489.74	1,112.45
Industrial alcohol	4,894.06	4,923.52
Power	1,603.63	1,504.07
Others	1,000.85	351.30
Total A	48,286.50	49,284.79
* Sugar sales includes export of Rs.2415.48 lakhs (Previous year of Rs.1598.78 lakhs)		
Other operating revenue*		
Insurance and storage charges on buffer stock	24.65	50.79
Assistance on sugar quota export	1,962.00	3,799.50
Total B	1,986.65	3,850.29
Total revenue from operations	50,273.15	53,135.08
Total A+B		

* Refer Note No. 36.21 to 36.23

Notes forming part of Standalone Financial Statement

Note 27 Other income

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on financial assets carried at amortised cost		
Security deposit	-	23.99
Fixed deposits with banks	22.75	50.78
Others	26.78	1.47
Government Grant*	179.75	354.71
Other non operating income		
Net gain on foreign currency transactions and translations	5.56	14.77
Insurance claims	17.09	1.76
Profit on sale of fixed assets	1.30	-
Unspent liabilities/balances written back	56.39	107.06
Miscellaneous income	137.17	104.89
Gain on mutual funds	1.85	0.56
Sugar handling receipt	-	384.70
Duty draw back receipt	0.26	-
Reversal of provision for doubtful ""debts/Advances	2.46	14.51
Total	451.36	1,059.20

* Refer Note No. 36.10

Note 28 Cost of materials consumed

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sugar cane	43,932.87	37,758.49
Total	43,932.87	37,758.49

Note 29 Purchase of stock in trade

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sugar	1,328.72	1,339.03
Other	494.95	325.78
Total	1,823.67	1,664.81

Notes forming part of Standalone Financial Statement

Note 30 Changes in inventories of finished goods, by-products and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Finished goods		
Opening stock		
Sugar	24,386.46	24,322.81
Molasses	1,022.11	1,087.31
Bagasse	291.86	289.47
Industrial alcohol	125.96	49.66
Banked Power	25.09	25.59
Total (a)	25,851.48	25,774.84
Less : Closing stock		
Sugar	33,518.51	24,386.46
Molasses	843.32	1,022.11
Bagasse	195.53	291.86
Industrial alcohol	573.69	125.96
Banked Power	36.57	25.09
Total (b)	35,167.62	25,851.48
Total (a-b)	(9,316.14)	(76.64)
Work-in-progress		
Opening stock	360.99	360.05
Less : Closing stock	412.60	360.99
	(51.61)	(0.94)
Increase / Decrease in Inventories Total	(9,367.75)	(77.58)

Note 31 Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salary, wages and bonus	1,263.99	1,209.58
Contribution to provident fund and other funds	85.51	81.43
Workmen and staff welfare expenses	37.66	20.78
Gratuity expenses	24.34	38.79
Total	1,411.50	1,350.58

Note 32 Finance costs

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expenses		
Cash credit	322.60	882.18
Term loan	654.75	777.19
Others	12.37	40.04
Other borrowing costs	109.06	86.89
Total	1,098.78	1,786.30

Notes forming part of Standalone Financial Statement

Note 33 Depreciation and amortisation expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation of property, plant & equipment	1,473.56	1,427.06
Amortisation of intangible assets	0.90	2.44
Amortisation (due to depletion in value)	12.19	61.04
Total	1,486.65	1,490.54

Note 34 Other Expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores and spare parts	671.78	462.43
Packing materials	546.85	363.11
Power and fuel	179.64	305.37
Rent	194.78	222.60
Repairs to :		
Buildings	132.60	84.92
Plant & Machinery	1,081.88	940.48
Others	231.87	182.81
Insurance	106.15	61.31
Rates and taxes	72.82	47.23
Selling expenses :		
Commission to selling agents	172.95	166.03
Other selling expenses	815.89	1,280.90
Payments to auditors :		
Statutory audit fee	5.00	5.00
Tax audit fee	1.00	1.00
Reimbursement of expenses	0.08	-
Charity and donation	126.87	52.20
Printing and stationary	12.30	14.49
Communication expenses	14.38	16.90
Travelling expenses	164.74	414.18
Consultancy and legal expenses	185.33	229.84
Directors sitting fees	6.60	2.38
Directors remuneration	522.88	760.72
Miscellaneous expenses	417.72	570.20
CSR expenditure	256.34	68.58
Loss on sale/discard of property, plant and equipment	9.40	0.67
Transfer to storage fund for molasses	3.34	3.31
Balances written off	29.07	25.93
Fair valuation of financial instrument	403.62	-
MAEQ expenses*	549.88	1,137.57
Total	6,915.76	7,420.16

* Refer Note No. 36.23

Notes forming part of Standalone Financial Statement

Note 35 : Consolidated Tax Reconciliation

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

(i) Profit or loss section

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current tax expense	635.71	514.49
Deferred tax expense	163.20	443.34
Total	798.91	957.83

(ii) OCI Section

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net gain / (loss) on remeasurement of defined benefit plans	(9.92)	(40.33)
Gain / (Loss) arising on fair valuation of assets	-	21.33
Unrealised gain/(loss) on FVTOCI equity securities	(7.42)	(0.55)
Income tax charged to OCI	4.36	9.29
Total	(12.98)	(10.26)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current tax	635.71	514.49
Deferred tax (Refer note no.20)	163.20	443.34
Total	798.91	957.83
Accounting profit before tax from continuing operations	3,423.03	2,800.98
Applicable tax rate (using Company's tax rate)	34.944%	34.944%
Computed tax expense (A)	1,196.14	978.77
Expenses not allowable for tax purpose	427.88	280.17
Effect of tax deduction	(362.79)	(148.47)
Changes in recognized deductible temporary differences	83.84	303.69
Recognition of MAT credit	(546.16)	(456.33)
Net adjustment (B)	(397.23)	(20.94)
Tax expense (A+B)	798.91	957.83

Notes forming part of Standalone Financial Statement

Note 35 : Consolidated Tax Reconciliation (Cntd...)

(Rs. in lakhs)

Particulars	As at 1st April, 2019	Provided during the year	As at 31st March, 2020	Provided during the year	As at 31st March, 2021
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	1,267.15	43.98	1,311.13	(338.85)	972.28
Ind AS effect related to Financial Asset / Liability (Net)	27.11	(27.11)	-	-	
Total deferred tax liability (A)	1,294.26	16.87	1,311.13	(338.85)	972.28
Deferred tax assets:					
MAT Recoverable	1,027.71	(482.22)	545.49	(545.49)	-
Expenses allowable on payment basis	147.92	(10.94)	136.98	(57.95)	79.03
Other Ind AS adjustments related to Financial Asset/Liabilities (Net)	82.90	75.97	158.87	105.75	264.62
Total deferred tax assets (B)	1,258.53	(417.19)	841.34	(497.69)	343.65
Deferred Tax Liability / (Asset) (Net) (A - B)	35.73	434.06	469.79	158.84	628.63

The ultimate realisation of deferred tax assets and unused tax credits is dependent upon the generation of future taxable income. Deferred tax assets including MAT credit entitlement is recognised on management's assessment of reasonable certainty for reversal/utilization thereof against taxable income.

36.1 Financial risk management objectives and policies

The Company's principal financial liabilities include borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents and Other financial assets that arise directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of below mentioned risks, which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other risks, such as regulatory risk and commodity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates. To mitigate the interest rate risks, the Company has established a periodical review procedure and ensures long term relations with the lenders to raise adequate funds at competitive rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts. The Company does not have substantial transactions during the year in foreign currency so the Company does not have such kind of risk.

Foreign currency risk	In USD	Rs. in lakhs
Outstanding Balance from customers	NIL	NIL

As the amount of foreign exchange fluctuation is not material during past period so the Company has not hedged the foreign currency.

Notes forming part of Standalone Financial Statement

(iii) Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and state government's policies and regulations affect the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy.

(iv) Commodity price risk

Sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affects profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's sugar sales are mostly on cash. Power and ethanol are sold to state government entities; thereby the credit default risk is significantly mitigated. The Central Govt. has fixed the minimum sale price of sugar w.e.f. 14.02.2019 at Rs. 3,100 per Qtl. which has mitigated the price risk to the some extent. Similarly, ethanol and power are sold to the Govt. undertakings at fixed prices as per Govt. orders / regulatory guidelines.

The impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

(i) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 3 to 60 days. An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the balance sheet date is the ageing analysis of the receivables has been considered from the date the invoice falls due:

(Rs. in lakhs)

Description	31st March, 2021	31st March, 2020
Upto 6 months	1956.33	1,743.62
6 to 12 Months	0.52	174.78
More than 12 months	30.38	191.24

The management has made provision for expected credit loss amounting to Rs.30.38 lakhs (Rs.30.24 lakhs) and management is of view that although certain amounts are beyond credit period but they are in fact recoverable and will be received in due course so balance amount is not liable to expected credit loss.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under Note No. 11. The following table summarizes the change in the loss allowances measured using life time expected credit loss method for trade receivables:

(Rs. in lakhs)

Particulars	Amount
Balance as at 01st April, 2020	30.24
Provided during the year	0.14
Reversed during the year	-
Balance as at 31st March, 2021	30.38
Balance as at 01st April, 2019	35.21
Provided during the year	-
Reversed during the year	4.97
Balance as at 31st March, 2020	30.24

Notes forming part of Standalone Financial Statement

Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. The Company is maintaining cash credit limit to a reasonable level to meet out the current obligation.

The Company's objectives are to meet the funding requirements and maintain flexibility in this respect through the use of cash credit facilities and term loans.

The table below summarises the maturity profile of the Company's financial liabilities:

(Rs. in lakhs)

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2021				
Term loans-non current	-	4,049.48	-	4,049.48
Loans repayable on demand	13,886.99	-	-	13,886.99
Trade payables	17,596.96	-	-	17,596.96
Other financial liabilities	3,099.59	333.42	67.76	3,500.77
Total	34,583.54	4,382.90	67.76	39,034.20

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2020				
Term loans-non current	-	4,414.91	-	4,414.91
Loans repayable on demand	10,473.40	-	-	10,473.40
Trade payables	11,915.90	-	-	11,915.90
Other financial liabilities	3,449.10	320.61	125.49	3,895.20
Total	25,838.40	4,735.52	125.49	30,699.41

36.2 Capital Management

(i) Risk Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio under control except for the first quarter of the financial year due to non-payment of cane dues. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the current period.

Notes forming part of Standalone Financial Statement

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020:

(Rs. in lakhs)

Description	31 March, 2021	31 March, 2020
Borrowings	20,100.05	17,407.74
Other financial liabilities	1,337.19	1,375.77
Trade payables	17,596.96	11,915.90
Less: Cash and cash equivalents	540.59	372.15
Net debts	38,493.61	30,327.26
Equity	1,840.00	1,840.00
Other equity	19,504.06	16,889.58
Total capital	21,344.06	18,729.58
Capital and net debt	59,837.67	49,056.84
Gearing ratio (%)	64.33	61.82

(ii) Dividends

No dividend has been recommended for the financial year ended 31st March, 2021.

36.3 Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Rs. in lakhs except no. of shares and EPS)

Particulars	31 st March, 21	31 st March, 20
Profit attributable to equity shareholders of the Company:	2,624.12	1,843.15
Profit attributable to equity shareholders for basic earnings	2,624.12	1,843.15
Profit attributable to equity shareholders adjusted for dilution effect	2,624.12	1,843.15
Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted)	9,20,00,170	9,20,00,170
Earnings Per Share (Basic & Diluted)	2.85	2.00

36.4 Employee benefits

As per Ind AS 19 "Employee benefits", the disclosures of employee benefits are as follows:

- (i) Employee benefits in the form of Provident Fund are considered as defined contribution plan. The contributions are made as per the relevant statute. The contributions to defined benefit plan, recognized as expense in the Statement of Profit & Loss is as under:

	31 st March, 2021	31 st March, 2020
Employers' contribution to provident fund	Rs. 85.51 lakhs	Rs. 81.43 lakhs

(ii) Defined benefits plans

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plans. The present value of obligation is determined based on actuarial valuation using projected Unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

Notes forming part of Standalone Financial Statement

In accordance with the Ind AS-19, actuarial valuation was done in respect of gratuity and leave encashment given below :

(Rs. in lakhs)

Description	Gratuity Current Year (Funded)	Gratuity Previous Year (Funded)	Leave Encashment Current Year (Non funded)	Leave Encashment Previous Year (Non funded)
I. Expenses recognized in the Statement of Profit and Loss				
Current service cost	25.75	23.61	10.74	11.91
Interest cost	20.15	19.02	4.51	3.76
Past service cost	-	-	-	-
Expected return on plan assets	(17.44)	(16.81)	-	-
Net expenses recognized in Statement of Profit and Loss	28.46	25.82	15.25	15.67
II. Other comprehensive (income)/expenses (Re-measurement)				
Accumulated (gain)/loss opening balance	27.69	14.72	81.31	53.94
Actuarial (gain)/loss – obligation	12.22	3.66	14.05	27.36
Actuarial (gain)/loss – plan assets	(16.35)	9.31	-	-
Total Actuarial (gain)/loss	(4.13)	12.97	14.05	27.36
Actuarial (gain)/loss at the end of the period	23.56	27.69	95.36	81.30
III. Net liability/(assets) recognized in the balance sheet As at 31st March, 2021	274.61	287.93	35.68	64.41
Present value of obligations at the end of period				
Fair value of the plan assets at the end of period	250.27	249.14	-	-
Funded status surplus/(deficit)	(24.34)	(38.79)	(35.68)	(64.41)
Net liability/(asset) as at 31st March, 2021	24.34	38.79	35.68	64.41
IV. Changes in present value of obligations during the year				
Present value of obligation at the beginning of the year	287.93	271.65	64.41	53.71
Current service cost				
Interest cost	25.75	23.61	10.74	11.91
Past service cost	20.15	19.02	4.51	3.76
Benefits paid if any	-	-	-	-
Actuarial loss/ (gain)	(71.45)	(30.01)	(58.03)	(32.33)
	12.23	3.66	14.05	27.36
Present value of obligation at the year end	274.61	287.93	35.68	64.41
V. Changes in fair value of plan assets				
Fair value of plan assets at the beginning of period	249.14	240.10	-	-
Expected return on plan assets	17.44	16.81	-	-
Contributions	38.79	31.55	-	-
Benefits paid	(71.45)	(30.01)	-	-
Actuarial Gain/(Loss) on plan assets	16.35	(9.31)	-	-
Fair value of plan assets at the year end	250.27	249.14	-	-

Notes forming part of Standalone Financial Statement

Description	Gratuity Current Year (Funded)	Gratuity Previous Year (Funded)	Leave Encashment Current Year (Non funded)	Leave Encashment Previous Year (Non funded)
VI. Maturity profile of defined benefit obligation				
Within in next 12 months	32.44	50.58	10.57	27.85
Between 2 and 5 years	65.33	75.55	25.11	36.56
5 years and above	176.84	161.80	-	-
Total expected payments	274.61	287.93	35.68	64.41
Weighted average duration (based on discounted cash flow) in years	8	7	-	-
Details of plan asset	Gratuity Trust	Gratuity Trust	N/A	N/A
SBI Kalyan ULIP Plus II	245.94	225.30	-	-
Bank Balance and Others	4.33	23.84	-	-

The history of funded post retirement plans are as follows for gratuity:

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Present value of Defined Benefit Obligation	274.61	287.93	271.65	268.38	271.81
Fair value of Plan Assets	250.27	249.14	240.10	245.28	207.51

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase 5% per annum of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Actual mortality & disability: Deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Actuarial Assumption

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Current Year	Previous Year	Current Year	Previous Year
Discount rate (per annum)	7.00%	7.00%	7.00%	7.00%
Future salary increase (per annum)	5.00%	5.00%	5.00%	5.00%
Retirement/Superannuation Age (Year)	60	60	60	60
Expected rate of return on plan assets	0%	0%	0%	0%
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Notes forming part of Standalone Financial Statement

Gratuity

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	274.61 @Salary increase rate: 5%, and discount rate: 7%
Liability with x% increase in Discount Rate	255.75; x=1.00% [Change (7%)]
Liability with x% decrease in Discount Rate	296.03; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	296.25; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	255.24; x=1.00% [Change (7%)]
Liability with x% increase in Withdrawal Rate	276.68; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	272.98; x=1.00% [Change (1%)]

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Leave Encashment

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	35.68
Liability with x% increase in Discount Rate	33.12; x=1% [Change (7%)]
Liability with x% decrease in Discount Rate	38.71; x=1% [Change 8%]
Liability with x% increase in Salary Growth Rate	38.74; x=1% [Change 9%]
Liability with x% decrease in Salary Growth Rate	33.05; x=1% [Change (7%)]
Liability with x% increase in Withdrawal Rate	36.17; x=1% [Change 1%]
Liability with x% decrease in Withdrawal Rate	35.24; x=1% [Change (1%)]

36.5 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities:

(Rs. in lakhs)

Particulars	31 st March, 2021	31 st March, 2020
(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under Labour laws	84.91	97.11
(ii) Claims against the Company not acknowledged as debts in respect of Criminal and Civil Cases	9.39	11.63
(iii) Bank guarantees given to the Central Government, Commissioner Excise & Commercial Tax Department of Bihar and oil manufacturing companies	373.15	625.29
(iv) Corporate guarantee given by the Company for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks). Outstanding amount Rs. 6414.41 lakhs as on 31.03.2021.	7549.60	7095.00
(v) Disputed Sales Tax/Trade Tax/Entry Tax cases under appeal*	15.90	20.60
(vi) Penalty levied by Competition Commission of India and U P Pollution Control Board	43.34	49.34

* Amount after deducting Rs.15.07 lakhs (As on 31st March 2020 Rs.10.60 lakhs) paid under protest.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals filed by the Company.

The State Government had issued orders for waiver of interest on delayed cane payment for the sugar seasons 2012-13 to 2014-15. The Hon'ble High Court of Allahabad, Lucknow Bench vide order dated 09.03.2017 in PIL No.67617 of 2014 connecting with other PIL and cases has quashed

Notes forming part of Standalone Financial Statement

the waiver of interest for these years and remanded the matter to Cane Commissioner for consideration of interest payment to farmers on account of delayed cane payment. No order has yet been passed by the Cane Commissioner and the amount of interest payable, if any, has also not been determined and ascertained.

The Company was liable to pay Purchase Tax @Rs.2/- per quintal on cane purchases. With GST implementation w.e.f. 01.07.2017 the purchase tax is not liable to be paid as all taxes got subsumed in GST. Sugar factories had received notices for payment of balance Cane Purchase Tax of season 2016-17 against which UPSMA has filed case in 2018 in the High Court, Lucknow and has also sought clarification from GST Council that Purchase Tax not to be demanded w.e.f. 01.07.2017 considering all taxes got subsumed in GST. The Company received a notice from District Magistrate, Ayodhya to pay the balance amount of Purchase Tax of season 2016-17. The liability of Purchase Tax for season 2016-17 is indeterminate.

The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be ascertained accurately. The Company does not expect any reimbursements in respect of above contingent liabilities.

Capital Commitments

(Rs. in lakhs)

Particulars	31st March, 21	31st March, 20
Estimated amount of contracts remaining to be executed on capital account and not provided for	39.37	29.63
Less: Advances paid against above	30.99	17.95
Net Amount	8.38	11.68

36.6 Leases

Company as lessee

The Company has taken commercial properties on cancellable operating lease. The lease agreement provides for an option to the Company to renew the lease period at the end of cancellable period.

The Company has adopted Ind AS-116 "Leases" w.e.f. 01.04.2019 and applied the standard to lease contracts existing on 1st April, 2019 using the modified retrospective method.

Consequent to this, such assets have been recognised as "Right-of-use" (ROU) assets and have been amortized over the term of the lease. The same has been shown under note no.3 of financial statements. Depreciation charge for ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss under note no.33.

Further, to above, the Company has certain lease agreement on short term basis, expenditure on which has been recognized under rent (other expenses).

The effect of adoption of Ind AS -116 "Leases" is not material on the profit before tax, profit for the year and earnings per share.

Following is the break-up of current and non-current lease liabilities as at 31 March, 2021

(Rs. in lakhs)

Particulars	As at 31 March, 2021
Current Lease Liabilities in respect of long term lease	6.59
Non-Current Lease Liabilities	0.58
Total	7.17

Notes forming part of Standalone Financial Statement

Following is the movement in long term lease liabilities during the year ended 31 March, 2021

(Rs. in lakhs)

Particulars	As at 31 March, 2021
Balance at the beginning	-
Additions during the year	12.30
Finance cost accrued during the year	0.73
Deletions during the year	-
Payment of Lease Liabilities during the year	5.86
Translation Differences	-
Balance at the end	7.17

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2021 on an undiscounted basis:

(Rs. in lakhs)

Particulars	As at 31 March, 2021
Future Minimum Lease Payment	
Not later than one year	6.97
Later than one year but not later than five year	0.59
Later than five year	-
Total	7.56

Company as lessor

The Company has given certain portion of factory premises on cancellable operating lease. The rent received on the same has been grouped under other income. The rent received during the year is Rs. 5.72 lakhs (previous year Rs.17.13 lakhs).

36.7 The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(Rs. in lakhs)

S.No.	Particulars	31-March-2021	31-March-2020
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	45.13	5.02
	Interest due on above	0.12	0.01
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.12	0.01
(e)	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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Notes forming part of Standalone Financial Statement

36.8 Related Party Disclosures: -

Pursuant to compliance of Ind AS-24 on "Related Party Disclosures", the relevant information is provided here below:-

I. Subsidiaries where control exist

K M Spirits and Allied Industries Ltd.

II. Related Parties with whom there were transactions during the year:

a) Related party where control exist:

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director

b) Details of the related parties:

i. Key Management Personnel (Group A)

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director
- Shri S. C. Agarwal -Executive Director
- Ms. Pooja Dua -Company Secretary
- Shri Arvind Kumar Gupta -Chief Financial Officer
- Shri H. P. Singhania** -Independent Director
- Mrs. Madhu Mathur -Independent Director
- Shri S. K. Gupta -Independent Director
- Shri Sushil Solomon -Independent Director
- Shri Bibhash Kumar Srivastava*** -Independent Director

ii. Relatives of Key Management Personnel (Group B)

- Shri P. C. Jhunjhunwala
- L. K. Jhunjhunwala (HUF)
- A. K. Jhunjhunwala (HUF)
- S. K. Jhunjhunwala (HUF)
- Smt. Naina Jhunjhunwala (Wife of Shri L.K. Jhunjhunwala)
- Smt. Priti Jhunjhunwala (Wife of Shri Aditya Jhunjhunwala)
- Smt. Priti Jhunjhunwala (Wife of Shri Sanjay Jhunjhunwala)
- Shri Vatsal Jhunjhunwala (Son of Shri Aditya Jhunjhunwala)
- Smt. Rina Agarwal (Wife of Shri S. C. Agarwal)

iii. Enterprises/ Parties over which Key management personnel or their relatives have substantial interest/ significant influence (Group C)

- K.M. Plantations (P) Ltd.
- Marvel Business (P) Limited
- Francoise Commerce (P) Limited
- Nidhi Financial Services (P) Limited
- Promissing Logistics (P) Ltd.
- Jhunjhunwala Securities (P) Ltd.

Notes forming part of Standalone Financial Statement

- Shri Shakti Credits Ltd.
- Zar International (P) Ltd.
- Palak Jhunjunwala Trust
- KM Energy Pvt. Ltd.
- Brahma Properties Pvt. Ltd.
- Sonar Casting Ltd.
- Shri Laxmi Public Charitable Trust
- Indian Sugar Exim Corporation Ltd.

c) Transactions with the related parties:

(Rs . in lakhs)

Sl. no.	Nature of transaction/ Name of the related party	Subsidiary 2020-21 (2019-20)	Key Managerial Personnel (KMP) 2020-21 (2019-20)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2020-21 (2019-20)	Total 2020-21 (2019-20)
i.	Investment made				
	Sonar Casting Ltd.*	- (1334.00)	- (-)	40.00 (-)	40.00 (1334.00)
ii.	Remuneration including commission and PF#				
	Shri L. K. Jhunjunwala	- (-)	181.22 (308.26)	- (-)	181.22 (308.26)
	Shri Aditya Jhunjunwala	- (-)	200.36 (308.14)	- (-)	200.36 (308.14)
	Shri Sanjay Jhunjunwala	- (-)	110.61 (107.59)	- (-)	110.61 (107.59)
	Shri S. C. Agarwal	- (-)	43.94 (44.09)	- (-)	43.94 (44.09)
	Shri P. C. Jhunjunwala	- (-)	- (-)	24.00 (4.00)	24.00 (4.00)
	Shri Arvind Kumar Gupta	- (-)	18.52 (17.13)	- (-)	18.52 (17.13)
	Ms. Pooja Dua	- (-)	4.30 (3.60)	- (-)	4.30 (3.60)
iii.	Education fee paid				
	Shri Vatsal Jhunjunwala	- (-)	- (-)	59.24 (67.52)	59.24 (67.52)
iv.	Rent paid				
	Sri Shakti Credits Ltd.	- (-)	- (-)	3.00 (4.40)	3.00 (4.40)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (1.14)	1.14 (1.14)
	Marvel Business Pvt. Ltd.	- (-)	- (-)	7.20 (7.20)	7.20 (7.20)
v.	Sugar sold				
	Francoise Commerce Pvt. Ltd.	- (-)	- (-)	- (255.31)	-(255.31)
vi.	MAEQ export facilitation charges payable				
	Indian Sugar Exim Corporation Ltd.	- (-)	- (-)	549.88 (1137.57)	549.88 (1137.57)
vii.	Loans repaid				
	Shri L. K. Jhunjunwala	- (-)	- (31.00)	- (-)	-(31.00)
	Shri Sanjay Jhunjunwala	- (-)	- (21.50)	- (-)	-(21.50)
	Shri Aditya Jhunjunwala	- (-)	- (61.50)	- (-)	-(61.50)
viii.	Sitting fees paid				
	Shri H. P. Singhania**	- (-)	0.95 (0.64)	- (-)	0.95 (0.64)
	Smt. Madhu Mathur	- (-)	1.95 (0.52)	- (-)	1.95 (0.52)

Notes forming part of Standalone Financial Statement

Sl. no.	Nature of transaction/ Name of the related party	Subsidiary 2020-21 (2019-20)	Key Managerial Personnel (KMP) 2020-21 (2019-20)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2020-21 (2019-20)	Total 2020-21 (2019-20)
	Shri S. K. Gupta	- (-)	2.25 (0.82)	- (-)	2.25 (0.82)
	Shri Bibhash Kumar Srivastava***	- (-)	0.20 (-)	- (-)	0.20 (-)
	Shri Sushil Solomon	- (-)	1.25 (0.30)	- (-)	1.25 (0.30)
ix.	Donation paid				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	100.00 (50.00)	100.00 (50.00)
x.	CSR paid				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	225.00 (65.00)	225.00 (65.00)
xi.	Balance outstanding				
	a. Amount payable				
	Shri L K Jhunjunwala	- (-)	123.12 (124.94)	- (-)	123.12 (124.94)
	Shri Aditya Jhunjunwala	- (-)	99.42 (121.70)	- (-)	99.42 (121.70)
	Shri Sanjay Jhunjunwala	- (-)	90.11 (52.02)	- (-)	90.11 (52.02)
	Shri S. C. Agarwal	- (-)	0.49 (2.60)	- (-)	0.49 (2.60)
	Shri Vatsal Jhunjunwala	- (-)	- (0.12)	- (-)	- (0.12)
	Shri P. C. Jhunjunwala	- (-)	- (-)	1.60 (1.80)	1.60 (1.80)
	Sri Shakti Credits Ltd.	- (-)	- (-)	2.76 (0.25)	2.76 (0.25)
	Marvel Business Pvt. Ltd.	- (-)	- (-)	20.84 (14.18)	20.84 (14.18)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (3.42)	1.14 (3.42)
	Indian sugar Exim Corp. Ltd.			432.74 (100.00)	432.74 (100.00)
	b. Guarantee given for Bank loan taken by the company				
	KM Plantation Pvt Ltd.	- (-)	- (-)	- (13767.29)	- (13767.29)
	c. Corporate guarantee given by the company for loan sanctioned/availed by				
	Sonar Casting Limited.*	- (-)	- (-)	7549.59 (7095.00)	7549.59 (7095.00)
	d . Investment Held				
	K M Spirits and Allied Industries Ltd.	5.00 (5.00)	- (-)	- (-)	5.00 (5.00)
	Equity share in Sonar Casting Limited*	- (-)	- (-)	109.00 (109.00)	109.00 (109.00)
	Preference share in Sonar Casting Limited*			2040.00 (2000.00)	2040.00 (2000.00)
	Preference share in K.M Energy Pvt. Limited	- (-)	- (-)	338.92 (338.92)	338.92 (338.92)
	Preference share in Brahma Properties Pvt. Limited	- (-)	- (-)	385.00 (385.00)	385.00 (385.00)

Related party transactions are shown at actual amount instead of fair value for the purpose of disclosure under related parties.

* Ceased to be subsidiary w.e.f. 26.12.2019

** Ceased on Board due to his sad demise on 16th September, 2020

*** Appointed w.e.f. 1st February, 2021

Notes forming part of Standalone Financial Statement

#Directors Remuneration

(Rs. in lakhs)

S. No.	Particulars	Chairman	Managing Director and Joint Managing Director	Executive Director	TOTAL
1	Salary	96.00 (96.00)	192.00 (192.00)	85.15 (36.00)	373.15 (324.00)
2	Commission	70.00 (200.00)	90.00 (200.00)	- (-)	160.00 (400.00)
3	Contribution to Provident Fund	11.52 (10.92)	23.04 (21.60)	4.32 (4.20)	38.88 (36.72)
4	Perquisites:				
	(i) Residence				
	-Unfurnished	7.38 (-)	-	6.40(2.70)	13.78 (2.70)
	(ii) Medical Reimbursement	2.41 (0.07)	4.86 (0.55)	0.23 (0.49)	7.50 (1.11)
	(iii) Other benefits	1.27 (1.27)	1.58 (1.58)	0.71 (0.70)	3.56 (3.55)
	Total	188.58(308.26)	311.48 (415.73)	96.81(44.09)	596.87 (768.08)

Note: The value of perquisites shown above is as per the Income Tax provisions.

The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms. No amount has been written back/written off during the year in respect to due to/due from related parties.

Transactions with Related Parties are made on the terms equivalent to those that prevail in arm's length transactions.

The remuneration to the Key Managerial Personnels are in line with the service rules of the Company.

The aforementioned related party transactions have been approved by the Board in their respective meetings held during the year.

36.9 Segment Reporting: Information on the Segment Reporting for the year ended 31st March, 2021:

The company has identified three primary business segments viz. Sugar, Distillery and Power. Segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organizational structure and internal business reposting system as defined in Ind AS 108 – Operating Segments.

(Rs. in lakhs)

Particulars	Sugar		Distillery		Co-generation		Unallocable		Total	
	2021	2020	2021	2020	2021	2,020	2021	2020	2021	2020
Revenue										
Gross sales	48,296	53,161	5,364	4,926	3,575	4,738	-	-	57,235	62,825
Less: Inter segment sales	4,984	6,456	7	-	1,971	3,234			6,962	9,690
External sales	43,312	46,705	5,357	4,926	1,604	1,504	-	-	50,273	53,135
Add: Other income	382	1,007	62	48	8	4	-	-	452	1,059
Total revenue	43,694	47,712	5,419	4,974	1,612	1,508	-	-	50,725	54,194
Segment results	3,007	4,088	848	275	667	224	-	-	4,522	4,587
Less: Finance cost	1,084	1,764	15	22	-	-	-	-	1,099	1,786
Profit before tax	1,923	2,324	833	253	667	224	-	-	3,423	2,801
Current tax									636	515
Deferred tax									163	443
Profit after tax									2,624	1,843
Other information										
Segment assets	52,595	43,605	6,899	5,561	2,966	3,522	-	-	62,460	52,688
Segment liabilities	38,989	32,849	1,473	629	25	10	629	470	41,116	33,958
Capital Expenditure	1,172	572	140	1,643	2	33	-	-	1,314	2,248
Depreciation and amortisation	817	869	501	436	169	186	-	-	1,487	1,491

*Capital expenditure includes fixed assets capitalized during the year and net increase/decrease in capital work-in-progress.

Notes forming part of Standalone Financial Statement

Inter-segment revenues are eliminated upon consolidation and reflected in the inter-segment sales column. Current taxes and deferred taxes are not allocated to individual segments as the same are dealt with at company level.

The transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.

Information about Secondary Geographical Segment: There is no secondary segment.

36.10 Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Rs. in lakhs)

Description	Carrying value		Fair value	
	As at	As at	As at	As at
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Financial assets				
FVOCI financial instruments:				
Unquoted equity shares	116.95	117.23	109.51	116.95
Quoted equity Shares	-	-	-	-
Fair Value through Statement of Profit & Loss				
Investment in Preference Shares	2705.78	2623.50	2262.16	2665.78
Guarantee	197.57	26.15	182.19	197.57
Fair Value of Assets through Other Comprehensive Income (OCI)				
Free hold Land	905.17	852.43	905.17	873.76
Total	3925.47	3619.31	3459.03	3854.06

(Rs. in lakhs)

Description	Carrying value		Fair Value	
	As at	As at	As at	As at
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Financial liabilities at amortized cost through statement of profit and loss				
Loan taken from Bank, Government and others				
Fixed rate borrowings	5793.97	6768.42	6213.06	6934.34
Floating rate borrowings	-	-	-	-
Total	5793.97	6768.42	6213.06	6934.34

Notes forming part of Standalone Financial Statement

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021:

Description	Date of valuation	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value				
FVOCI financial instruments:				
Unquoted equity shares	31 st March, 2021	-	-	Yes
Preference Share	31 st March, 2021			Yes

36.11 Government Grant :

The Government of Uttar Pradesh has provided term loan under the Scheme for Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government at concessional rates during the financial year 2018-19 which has been recognised in the following manners:

Description	Amount in lakhs	Year to which relates	Treatment in accounts
Revenue related to Government Grant			
Financial Assistance from the State Government	Nil	2020-2021	Nil
Deferred Government Grant			
Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant)	379.70	2020-2021	A sum of Rs.179.75 lakhs considered for part of the year as government grant under Note-27. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan.

36.12 Disclosures related to Corporate Social Responsibility (CSR)

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year ended on 31st March, 2021.

- (i) Gross amount required to be spent by the Company during the year Rs.59.50 lakhs (Previous year Rs.66.38 lakhs).
- (ii) Amount spent during the year ended 31 March, 2021

(Rs. in lakhs)

Particulars	Amount Paid	Amount yet to be Paid	Total
Construction/ Acquisition of any asset	-	-	-
On purposes other than above	256.34	-	256.34
Total	256.34	-	256.34

Amount spent during the year ended 31 March, 2020

(Rs. in lakhs)

Particulars	Amount Paid	Amount yet to be Paid	Total
Construction/ Acquisition of any asset	-	-	-
On purposes other than above	68.58	-	68.58
Total	68.58	-	68.58

Notes forming part of Standalone Financial Statement

- 36.13** In view of the decision of Hon'ble Supreme Court, extra price and excise duty realized on levy sugar in earlier years amounting to Rs.67.11 lakhs for funding under the Sugar Price Equalization Fund Act, 1976 was transferred to Sugar Price Equalization Reserve Account. Later on as per the order dated 22.09.1993 of Hon'ble Supreme Court, a sum of Rs.17.90 lakhs was paid to the Government out of bank guarantee furnished by the Company and further, during the year 1998-99 a sum of Rs.1.00 lakhs were paid towards Excise Duty on the above. The Company has further made a payment of Rs.35.81 lakhs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lakhs thereon. Still a sum of Rs.12.40 lakhs is lying in the Sugar Price Equalization Reserve as on 31st March, 2021 shown under Note 15 of "Other equity".
- 36.14** Certain balances in account of trade receivables, advances, deposit accounts and trade payables are subject to reconciliation and confirmation by the respective parties. The management reviewed these advances from time to time, the required provisions have been considered in the accounts. The management is of the view that the realization from these assets in the ordinary course of business would not be less than the amount at which they are stated in the books of account.
- 36.15** Other non-current liabilities (Note No.19) includes a loan from U.P. Government amounting to Rs.14.50 lakhs. The issue relating to interest payable thereon is under dispute and the matter is sub-judice before the Hon'ble Allahabad High Court. However, as per the interim order of the Court, a fixed deposit of Rs.14.50 lakhs has been kept with the District Magistrate, Ayodhya. In opinion of the management, the amount of interest accrued on this fixed deposit is adequate to meet the interest obligation liability of the Company on the said loan and therefore, no interest is being provided for in these financial statements.
- 36.16** As per Bihar State Government directions, the operations of country liquor bottling unit remain discontinued during the year. However, the plant and machinery of that unit has been moved to the Distillery Unit for manufacturing of country liquor. Thus, depreciation due to obsolescence has been provided on building amounting to Rs.12.19 lakhs in the current year. (Previous year –Rs.61.17 lakhs).
- 36.17** The Company had set up a cogeneration power plant of 25 MW at factory premises in the financial year 2006-07. This plant qualifies under Section 80IA of the Income Tax Act, 1961 for deduction of its entire profits 10 consecutive years out of first 15 years. The Company has opted the financial year 2011-12 as the first year of deduction but it could not claim deduction till financial year 2016-17 due to brought forwarded losses. The Company has claimed this deduction first time in financial year 2017-18, the current financial year is the last year of this deduction.
- 36.18** Since, the sugar industry is a seasonal industry; the cost of production of sugar is worked out on annualized basis considering prime cost, factory overhead and administrative overhead closely related to manufacturing of output.
- 36.19** The Company has a subsidiary company namely K M Spirits and Allied Industries Ltd.
- 36.20** The management is of the view that dividend payment is most probable to receive from the investments in the preference shares amounting to Rs.338.92 lakhs in K. M. Energy (P) Ltd., and Rs.385.00 lakhs in Brahma Properties (P) Ltd. considering dividend at 9% and Rs.40.00 lakhs in preference shares of Sonar Casting Ltd. considering dividend at 12% and this fact has been taken into account while determining the fair value of these investments.
- 36.21** The Central Government pursuant to Notification No. 1(8)/2019-SP-I dated 31st July, 2019 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) announced a scheme for creation and maintenance of buffer stock of 40 lakh MT of sugar by the sugar mills in the country for one year w.e.f. 1st August, 2019 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers. The Company was allotted 1,64,740 quintals of buffer stock. Accordingly Rs.172.74 lakhs (Previous year Rs.351.52 lakhs) has been adjusted as reduction in finance cost. Further, storage charges amounting to Rs.24.65 lakhs (Previous year Rs.50.79 lakhs) shown as line item "Insurance and storage charges on buffer stock" under Revenue from operations.
- 36.22** The Central Government pursuant to Notification No. 1(14)/2019-SP-I dated 12th September, 2019 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for assistance to sugar mills to facilitate export of sugar during sugar season 2019-20 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues for sugar season 2019-20.
- Pursuant to above notification, the Central Government pursuant to Notification No. 1(14)/2019-SP-I dated 16th September, 2019 and subsequent notifications issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) allocated factory wise Maximum Admissible Export Quota (MAEQ). The Company was allocated total MAEQ of 31537 MT as per the said notification. The Company has exported 9121 MT (Previous year 22416 MT) own manufactured/sourced from other mill raw/white sugar directly and through merchant exporter. The assistance receivable against such MAEQ sugar of Rs.843.60 lakhs (Previous year Rs.2342.02 lakhs) and has been shown as line item "Assistance on sugar quota export" under Revenue from operations.

Notes forming part of Standalone Financial Statement

36.23 The Central Government pursuant to Notification No. 1(6)/2020-SP-I dated 29th December, 2020 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for assistance to sugar mills to facilitate export of sugar during sugar season 2020-21 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues for sugar season 2020-21.

Pursuant to above notification, the Central Government pursuant to Notification No. 1(6)/2020-SP-I dated 31st December, 2020 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) allocated factory wise Maximum Admissible Export Quota (MAEQ). The Company was allocated MAEQ of 23765 MT as per the said notification. The Company got exported 18640 MT sugar through merchant exporter. The assistance receivable against such MAEQ sugar of Rs.1118.40 lakhs and has been shown as line item "Assistance on sugar quota export" under Revenue from operations and export facilitation charges payable to merchant exporter amounting to Rs.549.88 lakhs has been shown as line item MAEQ/MIEQ expenses under other expenses.

36.24 The Central Government pursuant to Notification No. 1(14)/2019-SP-I dated 2nd March, 2019 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for extending soft loan to sugar mills with a view to facilitate payment of cane price dues for sugar season 2018-19 relating the Fair and Remunerative Price (FRP) of sugar cane fixed by Central Government. The Company has availed soft loan of Rs.3694.00 lakhs from banks during the previous year and was eligible for 7% interest subvention for one year. Accordingly, a sum of Rs.6.37 lakhs (Previous year Rs.252.91 lakhs) has been adjusted with interest on term loan.

36.25 Imported and Indigenous Raw Materials, Packing Materials and Stores and Spares consumed

(Rs. In lakhs)

Description	31st March, 2021		31st March, 2020	
	% of total consumption	Amount	% of total consumption	Amount
Raw Materials				
Imported	-	-	-	-
Indigenous	100%	43932.87	100%	37758.49
Stores and packing material				
Imported	-	-	-	-
Indigenous	100%	1218.63	100%	825.54

36.26 Income in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2021	31st March, 2020
Export sale	2415.48	1598.78

36.27 Expenditure in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2021	31st March, 2020
Travelling	8.02	90.20
Others	61.31	72.90

36.28 The company has taken SBI SEFASU Loan from Government amounting to Rs.4775.94 lakhs bearing 5% Interest rate. Fair value of loan has been determined using discount rate 10.50% as the bank's fund is available at this rate and difference between actual amount and present value is amortised over the loan tenure and same has been considered as deferred government grant.

Notes forming part of Standalone Financial Statement

36.29 Components of Other Comprehensive Income

The disaggregation of changes to OCI in equity is shown below:

During the Year ended 31st March, 2021

(Rs. in lakhs)

Description	Comprehensive Income (Net of Tax)	Retained earnings	Total
Gain/(loss) on FVTOCI financial assets	(5.55)	-	(5.55)
Re-measurement gain/(loss) on defined benefit plans	(7.43)	-	(7.43)
Retained earning	-	2624.12	2624.12
Total	(12.98)	2624.12	2611.14

During the Year ended 31st March, 2020

(Rs. in lakhs)

Description	Comprehensive Income (Net of Tax)	Retained earnings	Total
Gain/(loss) arising on fair valuation of Asset	16.37	-	16.37
Gain/(loss) on FVTOCI financial assets	(0.39)	-	(0.39)
Re-measurement gain/(loss) on defined benefit plans	(26.24)	-	(26.24)
Retained earning	-	1843.15	1843.15
Total	(10.26)	1843.15	1832.89

36.30 COVID 19

COVID 19 outbreak and resultant lockdown imposed by the Government caused disruption of supply chain across businesses in India. However, timely steps taken by the Government has ensured smooth crushing operations of sugar mills in Uttar Pradesh including the factories of the Company

It is estimated that the lock-down impacted the overall domestic sugar demand & consumption by more than a million ton leading to pressure on the selling price of sugar in future. However the already initiated measures of the Government to support the industry such as fixing of minimum selling price for sugar, regulating domestic sale by way of monthly release mechanism and incentivising export of sugar under MAEQ are continuing. The other main products manufactured by the Company i.e. ethanol and power are also not expected to be too materially impacted.

Based on the aforesaid, the management concludes that no material uncertainty exists in the Company's ability to continue as a going concern and accordingly the management has prepared these financial statements on a going concern basis. Further, the management has also performed an impairment test considering the impact of COVID-19 on the carrying amount of the assets which has resulted in no significant impairment. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

36.31 As per Section 115BAA of the Income Tax Act, 1961, the domestic companies have option to pay corporate income tax @ 22% plus applicable surcharge and cess (New Tax Rate) subject to certain conditions w.e.f. financial year commencing from April 1, 2019 and thereafter. The company has opted to continue with the old tax structure for this year and may opt the new tax rate from the next financial year. Accordingly, the deferred tax liability has been re-measured and thereby charge on account of this for the year ended 31st March, 2021 is lower by Rs. 346.96 lakhs.

36.32 Effective from 1st April, 2019, UPERC, vide tariff order dated July 25, 2019, has reduced the tariff of power sold to Power Corporation. Accordingly the Company has accounted power sale at the reduced tariff notified by UPERC. The matter is challenged through UP Co-Gen Association before the appropriate forum and matter is sub-judice.

36.33 Events occurring after the balance sheet date:

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorization of financial statements.

Notes forming part of Standalone Financial Statement

36.34 The previous year's figures have been regrouped, reclassified, reworked and rearranged wherever necessary to correspond with the current year classification/disclosures. Amounts and other disclosures for the preceding period are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

For Agiwal & Associates

Chartered Accountants

F.R. No 000181N

CA P. C. Agiwal

Partner

M. No.080475

Place : New Delhi

Date : 8th June, 2021

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director

DIN-02461954

A. K. Gupta

Chief Financial Officer

Place : Lucknow

Date : 8th June, 2021

Aditya Jhunjunwala

Managing Director

DIN-01686189

Pooja Dua

Company Secretary

M. No. A50996

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members of K M Sugar Mills Limited
Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **K M Sugar Mills Limited ("the Company")** and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidate state of affairs of the Group as at March 31, 2021, and consolidated profit, consolidated total comprehensive income, consolidated changes in

equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters

described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	<p>Valuation of inventory of sugar:</p> <p>As on March 31, 2021, the Company has inventory of sugar with a carrying value INR 33518.51 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative value of inventory in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the Government in valuation of NRV.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, and notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year-end and comparison with cost for valuation of inventory is considered to be reasonable.</p>

2	<p>Contingent Liabilities :</p> <p>There are various litigations pending before various forums against the Company and management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.</p>	<p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> • understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; • discussed with management regarding any material developments and latest status of legal matters; • read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; • examining management's judgements and assessments whether provisions are required; • considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote; • reviewing the adequacy and completeness of disclosures; • Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.
---	---	---

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 financial controls 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 and its subsidiary companies which are companies incorporated in India has adequate internal financial controls system 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in:

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 consolidated financial statements of the current period 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 Matters

We did not audit the financial statements/ information of 1 (One) subsidiary, i.e. **KM Spirits and Allied Industries Limited**. The financial statements of K M Spirits & Allied Industries Limited reflect total assets of Rs. 4.93 lakhs as at 31st March, 2021, total revenues of Rs. 0.20 lakhs and net cash flows amounting to Rs. 0.24 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on

31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.
- h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note - 36.5 to the consolidated financial statements;
 - ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

for **Agiwal & Associates**

Chartered Accountants

Firm Registration No.: 000181N

P. C. Agiwal

Partner

M. No.: 080475

UDIN: 21080475AAAAEF3568

Place: New Delhi

Date: 08.06.2021

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **K M Sugar Mills Limited ("the Company")** and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system over financial reporting of the company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanation given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For **Agiwal & Associates**
Chartered Accountants
Firm Registration No.: 000181N

P. C. Agiwal
Partner

Place: New Delhi
Date: 08.06.2021

M. No.: 080475

UDIN: 21080475AAAAEF3568

Consolidated Balance sheet for the year ended March 31, 2021

(Rs. in lakhs)

Particulars	Notes No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
(1) Non current assets			
(a) Property, plant and equipment	3	15,830.80	16,036.54
(b) Capital work in progress	3A	815.76	35.67
(c) Intangible assets	3B	0.57	1.47
(d) Financial assets			
(i) Loans	4	369.97	379.90
(ii) Investments	5	2,366.68	2,737.74
(iii) Other financial assets	6	245.71	223.57
(e) Non current tax assets (net)	7	24.45	128.54
(f) Other non current assets	8	34.26	46.75
Total non current assets		19,688.20	19,590.18
(2) Current assets			
(a) Inventories	9	36,135.82	26,771.62
(b) Financial assets			
(i) Investments	10	1.82	1.53
(ii) Trade and other receivables	11	1,956.85	2,079.50
(iii) Cash and cash equivalents	12	540.87	376.84
(iv) Bank balances other than cash and cash equivalents	12A	47.71	77.85
(v) Other financial assets	13	3,359.44	2,810.42
(c) Other current assets	14	729.03	979.80
Total current assets		42,771.54	33,097.56
Total assets		62,459.74	52,687.74
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	1,840.00	1,840.00
(b) Other equity	16	19,503.83	16,889.25
Total equity		21,343.83	18,729.25
LIABILITIES			
(1) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	4,049.48	4,414.91
(ii) Other financial liabilities	18	182.19	197.57
(b) Other non current liabilities	19	305.52	485.27
(c) Deferred tax liabilities (net)	20	628.63	469.79
(d) Provisions	21	476.50	488.41
Total non current liabilities		5,642.32	6,055.95
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	13,886.99	10,473.40
(ii) Trade and other payables	23	17,597.10	11,916.02
(iii) Other financial liabilities	24	3,318.58	3,697.63
(b) Other current liabilities	25	635.56	1,748.85
(c) Provisions	21	35.36	66.64
Total current liabilities		35,473.59	27,902.54
Total equity and liabilities		62,459.74	52,687.74

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 36 form an integral part of Consolidated financial statements

As per our report of even date attached

For Agiwal & Associates

Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal

Partner
M. No.080475

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director
DIN-02461954

A. K. Gupta

Chief Financial Officer

Aditya Jhunjunwala

Managing Director
DIN-01686189

Pooja Dua

Company Secretary
M. No. A50996

Place : New Delhi
Date : 8th June, 2021

Place : Lucknow
Date : 8th June, 2021

Consolidated statement of profit and loss for the year ended 31st March, 2021

(Rs. in lakhs)

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I Revenue From Operations	26	50,273.15	53,135.08
II Other Income	27	451.56	1,136.79
III Total Income (I+II)		50,724.71	54,271.87
IV EXPENSES			
Cost of materials consumed	28	43,932.87	37,758.49
Purchase of stock in trade	29	1,823.67	1,664.81
Changes in inventories of finished goods, by-products and work-in-progress	30	(9,367.75)	(77.58)
Employee benefit expenses	31	1,411.50	1,361.25
Finance costs	32	1,098.79	1,787.05
Depreciation and amortisation expenses	33	1,486.65	1,497.22
Other expenses	34	6,915.83	7,470.20
Total expenses		47,301.56	51,461.44
V Profit/(loss) before exceptional items and tax (III-IV)		3,423.15	2,810.43
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		3,423.15	2,810.43
VIII Tax expenses :	35		
Current tax		635.56	518.08
Tax expense of earlier year		0.17	(3.59)
Deferred tax		163.20	443.34
		798.93	957.83
IX Profit (Loss) for the period (VII-VIII)		2,624.22	1,852.60
X Other Comprehensive Income :			
(i) Items that will not be reclassified to profit and loss :			
Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation		(9.92)	(40.33)
Gain / (Loss) arising on fair valuation of fixed assets		-	21.33
Gain / (Loss) arising on fair valuation of equity instruments		(7.42)	(0.55)
(ii) Income tax relating to items that will not be reclassified to profit and loss		4.36	9.29
		(12.98)	(10.26)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		2,611.24	1,842.34
XII Earnings per equity share (Equity share of Rs. 2/- each)			
(1) Basic		2.85	2.01
(2) Diluted		2.85	2.01

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 36 form an integral part of Consolidated financial statements

As per our report of even date attached

For Agiwal & Associates
Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal
Partner
M. No.080475

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

A. K. Gupta
Chief Financial Officer

Aditya Jhunjunwala
Managing Director
DIN-01686189

Pooja Dua
Company Secretary
M. No. A50996

Place : New Delhi
Date : 8th June, 2021

Place : Lucknow
Date : 8th June, 2021

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

(Rs. in lakhs)

S.No.	Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
A.	Cash flow from operating activities				
	Profit/(loss) before tax		3,423.15		2,810.43
	Adjustment to reconcile profit before exceptional items and extraordinary items and tax to net cash flow provided by operating activities:				
	Depreciation and amortisation expense	1,486.65		1,490.54	
	Finance costs	1,098.79		1,786.30	
	Transfer to storage fund for molasses	3.34		3.31	
	Provision/(reversal) of doubtful debts	(2.46)		(14.51)	
	Balances written off	29.07		25.93	
	Interest Income	(22.95)		(50.78)	
	Gain on cessation of subsidiary	-		(9.42)	
	Government Grant	(179.75)		(354.71)	
	Fair valuation on investment and others	403.61		(2.28)	
	Loss/(Profit) on sale of property, plant and equipments	8.10		0.68	
	Unspent liabilities/balances written back	(56.39)		(107.06)	
	Other expenses/(income)	(19.97)		(15.69)	
	Remeasurement of defined benefit obligation	(9.92)	2,738.12	(40.33)	2,711.98
	Operating Profit before working capital changes		6,161.27		5,522.41
	Adjustment to reconcile operating profit to cash flow provided by change in working capital				
	(Increase)/Decrease in trade and other receivables	122.64		684.66	
	(Increase) / Decrease in inventories	(9,364.21)		(173.18)	
	(Increase) / Decrease in Current & Non current Assets	411.76		64.89	
	(Increase) / Decrease in financial Assets	(515.15)		(2,637.94)	
	Increase / (Decrease) in trade payables & Others	5,737.47		(6,541.92)	
	Increase / (Decrease) in current & non current liabilities	(1,293.03)		1,053.52	
	Increase / (Decrease) in other financial liabilities	21.23		2,235.32	
	Increase / (Decrease) in provisions	(43.17)		17.94	
			(4,922.46)		(5,296.71)
	Cash generated from operations		1,238.81		225.70
	Tax expense		(531.64)		(544.35)
	Cash flow before exceptional and extraordinary items		707.17		(318.65)
	Net cash generated from operating activities (A)		707.17		(318.65)
B.	Cash Flow from investing activities				
	Addition to property, plant and equipment (including capital work in progress) (Net)	(2,068.20)		(1,578.98)	
	Investment in equity and other (Net)	(40.28)		(1,241.56)	
	Interest income received	11.67	(2,096.81)	37.33	(2,783.21)
	Net cash used in investing activities (B)				

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

(Rs. in lakhs)

S.No.	Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
C.	Cash flow from financing activities				
	Proceed/(Repayments) of long term borrowings	(721.28)		821.73	
	Proceeds/(Repayments) of short term borrowings	3,413.59		4,002.95	
	Finance cost paid	(1,138.64)	1,553.67	(1,858.37)	2,966.31
	Net cash from financing activities (C)				
	Net increase in cash & cash equivalents (A+B+C)		164.03		(135.55)
D.	Opening cash and cash equivalents		376.84		512.39
E.	Closing cash and cash equivalents for the purpose of cash flow statement (Refer Note No.12)		540.87		376.84
	Increase in cash & cash equivalents (D-E)		164.03		(135.55)

Notes:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard on Statement of Cash Flows (Ind As -7).

2) Cash and cash equivalents at year end comprises:

Cash on hand	7.55	5.82
Cheque on hand	0.69	-
Balances with scheduled banks		
- current accounts	532.61	291.02
- In EPFC Account	0.02	
Deposit with bank original maturity less than 3 month	-	80.00
	540.87	376.84

Supplementary Information

- Restricted Cash Balance (NOTE 12A)*

* amount not included in cash and cash equivalent

As per our report of even date attached

For Agiwal & Associates

Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal

Partner
M. No.080475

Place : New Delhi
Date : 8th June, 2021

For and on behalf of Board of Directors**S. C. Agarwal**

Executive Director
DIN-02461954

A. K. Gupta

Chief Financial Officer

Place : Lucknow
Date : 8th June, 2021

Aditya Jhunjunwala

Managing Director
DIN-01686189

Pooja Dua

Company Secretary
M. No. A50996

Consolidated Statement of change in equity for the year ended 31st March, 2021

(a) Equity Capital

Particulars	Number	Amount in Rs.
AT 31st March, 2021	92000170	18,40,00,340
AT 31st March, 2020	92000170	18,40,00,340

(b) Other equity

(Rs. in lakhs)

Description	General Reserve	Initial Depreciation Reserve	Molasses Storage Fund	Sugar Price Equalisation Reserve	Securities Premium Account	Retained Earning	Items of Other Comprehensive Income			Total
							Revaluation reserve	FVTOCI reserve	Gain / Loss arising on actuarial valuation of defined benefit	
As at April 01, 2019	1,178.18	1.72	16.00	12.40	2,688.01	5,135.74	6,057.83	(6.48)	(39.80)	15,043.60
Profit for the period	-	-	-	-	-	1,852.60	-	-	-	1,852.60
Other Comprehensive Income	-	-	-	-	-	-	16.37	(0.39)	(26.24)	(10.26)
Transfer to Molasses Fund	-	-	3.31	-	-	-	-	-	-	3.31
Transfer to retained earning	-	-	-	-	-	1.66	(1.66)	-	-	-
As at March 31, 2020	1,178.18	1.72	19.31	12.40	2,688.01	6,990.00	6,072.54	(6.87)	(66.04)	6,889.25
Profit for the period	-	-	-	-	-	2,624.22	-	-	-	2,624.22
Other Comprehensive Income	-	-	-	-	-	-	-	(5.55)	(7.43)	(12.98)
Total Comprehensive Income	1,178.18	1.72	19.31	12.40	2,688.01	9,614.22	6,072.54	(12.42)	(73.47)	9,500.49
Transfer to Molasses Fund	-	-	3.34	-	-	-	-	-	-	3.34
Transfer to retained earning	-	-	-	-	-	1.41	(1.41)	-	-	-
As at March 31, 2021	1,178.18	1.72	22.65	12.40	2,688.01	9,615.63	6,071.13	(12.42)	(73.47)	19,503.83

As per our report of even date attached

For Agiwal & Associates
Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal
Partner
M. No.080475

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

A. K. Gupta
Chief Financial Officer

Aditya Jhunjunwala
Managing Director
DIN-01686189

Pooja Dua
Company Secretary
M. No. A50996

Place : New Delhi
Date : 8th June, 2021

Place : Lucknow
Date : 8th June, 2021

Notes forming part of Consolidated Financial Statement

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

The consolidated financial statements comprise financial statements of K M Sugar Mills Limited ("the Company" or "the Parent") and a subsidiary; K M Spirits and Allied Industries Ltd. for the year ended 31st March, 2021.

K M Sugar Mills Limited ("the Company") having Corporate Identity Number ("CIN") L15421UP1971PLC003492 is a public limited company incorporated and domiciled in India and has its registered office situated at 11, Moti Bhawan, Collectorganj, Kanpur, Uttar Pradesh – 208001, India.

The Company's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Company is engaged in sugar manufacturing. The principal activity of the Company is manufacturing and sale of sugar. Besides this, the allied business activities undertaken by the Company primarily consists of manufacturing and sale of Ethanol, Ethyl Alcohol, generation of power using bagasse, and manufacturing and sale of sanitizers.

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

2.2 Basis of Preparation of Consolidated Financial Statements

a) Basis of Presentation

These consolidated financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value and
- ii) Defined benefits plan - plan assets measured at fair value.

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between

procurement of raw material and realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Basis of Consolidation

Consolidation financial statement related to KM Sugar Mills Limited ("The Company" and its subsidiary (collectively referred as the Group).

In the case of subsidiary, control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns though its power over the investee specifically, the group controls as investee if and only if the group has:

- Power over the investee (i.e. existing right that give it the current ability to direct the relevant activities of the investee;
- Exposure, or right, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control.

Consolidation of subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary Assets, Liabilities, Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statement from the date the group gains control until the date the group ceases to control the subsidiary.

Consolidation Financial statements are prepared using accounting policies for like transaction and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidation financial statement for like transaction and event in similar circumstances, appropriate adjustment are made to the group member's financial statement in preparing the consolidation financial statement to ensure conformity with the group accounting policies.

The Consolidated financial statements of all entities used for the purposes of consolidation are drawn up to same reporting date as that of the parent company i.e. year ended on March 31.

Profit or loss each component of other comprehensive income (OCI) are attributed to the owners of the company and to the non controlling interest. Total comprehensive income of subsidiaries attributed to the owner of the company and to the non controlling interest even if this results in the non controlling interest having a deficit balance.

Notes forming part of Consolidated Financial Statement

Following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of Entity	Relationship	Country of Incorporation	% of Holding and voting power Directly as at 31st March 2021
KM Spirits and Allied Industries Ltd.	Wholly Owned Subsidiary Company	India	100%

c) Consolidation procedure

The consolidation financial statement relate to KM Sugar Mills Limited ("the company") and the subsidiary company. The Consolidated financial statements have been prepared on the following basis:

- The financial statement of the company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra group balances and intra group transaction.
- Profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on date of disposal is recognized in Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to owners of the Company.
- Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the owners of the Company.

2.3 Use of Estimates

The preparation of the Financial Statements in conformity with measurement principle under Ind AS requires the management to make estimates, judgment and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

Estimates, judgments and assumptions are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and are believed to be reasonable under the circumstances.

The Company based its estimates, judgments and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The application of accounting policies that require critical judgments and accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed herein below:

(i) Estimated useful life of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on technical evaluation, historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

(ii) Current taxes and deferred taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of provision for income taxes.

Deferred tax assets are recognized for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various

Notes forming part of Consolidated Financial Statement

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 financial year end.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds.

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.

(iv) Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the discounted cash flow (DCF) model. The company uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year.

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. Judgment includes 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.

2.4 Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)

- (a) All property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. For this purpose, cost includes deemed cost on the date of transition and the purchase cost of assets, including non recoverable duties and taxes, and any directly attributable cost of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets is capitalized as part of cost of the asset until such time that the asset is ready for its intended use.

The estimated useful lives considered are as follows:

Category	31 st March, 2020
Buildings	03-60 years
Roads	03-10 years
Plant & Machinery	05-25 years
Furniture & Fixtures	10 years
Vehicles	05-10 years
Office Equipments	5 years
Computers	03-06 years
Laboratory Equipments	05-10 years
Electrical Installations and Equipment	10 years

- (b) Costs incurred subsequent to initial capitalization are included in the asset's carrying amount only when it is probable that future economic benefits associated therewith will flow to the Company and it can be measured reliably.

The costs of regular servicing of property, plant and equipment are recognized in the Statement of Profit & Loss as and when incurred.

When parts of property, plant and equipment have different useful lives, they are accounted for as separate components, otherwise these are added to and depreciated over the useful life of the main asset.

The cost and the accumulated depreciation are eliminated from the financial statements upon sale or when no future economic benefits are expected to arise from use of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss.

- (c) Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Lease-hold land and lease hold improvements are amortised over the lower of estimated useful life and lease term.

Depreciation on other items of property, plant and equipment commences when its assets are available for their intended use.

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016. In the financial year 2018-19 and 2019-20, the company has revalued the lease hold assets as well as free hold assets considering entire class of land.

Depreciation on Property, plant and equipment (PPE) is provided on written down value method as prescribed under Part C of Schedule II to the Companies Act, 2013. The additional depreciation, on increase in cost on account of revaluation, is transferred to Retained Earnings from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

Useful life of assets are considered on the base is of Schedule-II of Companies Act, 2013. The management believes that these estimated useful lives realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes forming part of Consolidated Financial Statement

Each item of property, plant and equipment individually costing Rs.5,000/- or less is depreciated over a period of one year from the date the said asset is available for use. However, in case of certain assets for staff individually costing more than Rs.5,000/- are depreciated over the period of one year based on management estimates.

The residual value of an item of property, plant and equipment has been kept at $\leq 5\%$ of the cost of the respective assets.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(d) Expenditure during construction period

Directly attributable expenditure (including finance cost related to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under Capital work-in-progress. Capital work-in-progress is stated at the amount incurred upto the Balance Sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

2.5 Intangible assets (Computer Software)

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost since 1st April, 2016. Computer software if any purchased during the year has been stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

The estimated useful lives, residual values and amortization method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

The cost and related accumulated amortization are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Intangible assets: Computer software is amortized over a period of three years.

2.6 Revenue Recognition and Expenses

- (i) Effective April 1 2018 the company adopted Ind AS 115, revenue from contracts with customer using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in

exchange for those products or services.

Arrangements with customers for services and goods are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on supply and service contracts are recognized as the related performance obligation is completed.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

- (ii) Insurance claims have been accounted for on cash basis looking in to the uncertainty and its collection as per past practice.
- (iii) Interest Income is accounted for on time proportionate basis. For all debt instruments measured at amortized cost, interest income is recognized using the Effective Interest Rate ("EIR"). Interest Income is included in "Other Income" in the Statement of Profit and Loss.
- (iv) Dividend Income is recognized when the Company's right to receive the dividend is established i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by shareholders.
- (v) All expenses are accounted for on accrual basis.

2.7 Inventory

Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventory.

Inventories are valued as under:

- Raw Materials and Finished Goods (except molasses) are carried at lower of cost and net realizable value. Stock of Molasses is carried at net realizable value.
- Stores & Spares are carried at cost.
- Goods in Process / WIP are carried at lower of cost and net realizable Value.
- Banked power with UPPCL is carried at lower of cost and net realizable value.

Cost for the purpose of valuations of raw material and components, stores & spares are considered on following basis:

Notes forming part of Consolidated Financial Statement

Manufacturing Units	Basis
Sugar - Raw Material	First in First Out
Stores & Spares and other components	Weighted Average
Trading Goods	First in First Out
Distillery- Raw Material	First in First Out
Stores & Spares Other components	Weighted Average
Co-generation - Raw Material	First in First Out

2.8 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial

statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Notes forming part of Consolidated Financial Statement

Financial assets

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 profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

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

- At amortised cost,
- At fair value through other comprehensive income (FVTOCI), and
- At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' 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 the asset 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 on the principal amount outstanding.

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.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI 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 at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Preference Share

The fair value of the investments made in a subsidiary company is

determined using cost model as prescribed IND AS 27, Fair value of preference share in other company has been determined on the basis of amortized cost. The discount rate has been taken at is incremental borrowing rate for the company after considering percentage of dividend. Difference between the actual cost and amortized cost is accounted for under "Finance cost" as Gain/ loss arising on fair valuation of preference share and unwinding of interest is accounted for under "Other income"

De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

2.10 Employees Benefits

(i) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

(ii) Post employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the

Notes forming part of Consolidated Financial Statement

recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income.

(iii) Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

2.11 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consists of interest and other costs that the Company incurs in connection with the borrowing of funds.

All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

2.12 Dividend payable

Dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognized directly in equity.

2.13 Government Grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants related to property, plant and equipment are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

The benefit of government loan at a below-market rate of interest or loan with interest subvention is treated as a government grant. The Difference between the market rate of interest and actual rate of interest is treated as government grant.

2.14 Financial Derivatives and Commodity Hedging Transactions

Financial Derivatives and commodity hedging contracts are accounted for on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the Statement of Profit & Loss, along with the underlying transactions.

2.15 Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date the transaction first qualifies for recognition. Monetary items denominated in foreign currency at the year end are translated at year end rates.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of initial transaction.

In respect of monetary items which are covered by forward exchange contracts, the difference between the year end and the rate on the date of contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract.

The exchange differences arising on settlement/translation are recognized in the Statement of Profit and Loss.

2.16 Taxes on Income

(a) Current Tax

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between

Notes forming part of Consolidated Financial Statement

the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which 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 measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

The company has revalued its lease hold property but deferred tax liabilities is not recognized on the ground that the company does not have sale / transfer right with regard to lease hold land.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

2.17 Impairment of Assets

Non financial Assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).

Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit or loss. ECL impairment loss allowance is measured at an amount equal to lifetime ECL.

ECL impairment loss allowance (or reversal) recognized during

the period is recognized as income or expense in the Statement of Profit and Loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet.

The allowances are reduced from the carrying amount. Until the assets meets write-off criteria, the Company does not adjust impairment allowance from the gross carrying amount.

2.18 Provisions, Contingent Liabilities and Contingent Assets

- (a) Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- (b) Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (c) Provisions are not recognized for future operating losses.
- (d) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- (e) A contingent asset is not recognized in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.
- (f) Provisions and contingent liabilities are reviewed at each balance sheet date.

2.19 Investment Property

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business. Owner-occupied property is property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes. Investment properties are accounted for in the books at cost. However, fair value of such property is required to be disclosed only in accordance with Ind AS-40.

2.20 Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisational structure and internal reporting system.

2.21 Earnings Per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Notes forming part of Consolidated Financial Statement

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

2.22 Cash and Cash Equivalents

Cash and cash equivalents Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management

2.23 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and item of income or expenses associated with investing or financing flows. The cash flows operating, investing and financing activities of the company are segregated.

2.24 Leases

Effective April 01, 2019, the Company has adopted Ind AS-116 "Leases", applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company recognizes right-of-use asset at the date of initial application. The right-of-use asset is measure equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying

Notes forming part of Consolidated Financial Statement

amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

For Agiwal & Associates

Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal

Partner
M. No.080475

Place : New Delhi
Date : 8th June, 2021

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director
DIN-02461954

A. K. Gupta

Chief Financial Officer

Place : Lucknow
Date : 8th June, 2021

Aditya Jhunjunwala

Managing Director
DIN-01686189

Pooja Dua

Company Secretary
M. No. A50996

Notes forming part of Consolidated Financial Statement

Note 3: Property, Plant and Equipment

(Rs. in lakhs)

Particulars	Right of Use assets	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Gross Block									
Balance as at 1st April, 2019	6,063.46	810.13	834.27	25,728.37	465.01	980.84	134.33	128.73	35,145.14
Additions	-	42.30	162.80	1,995.03	22.76	14.69	7.07	2.87	2,247.52
Fair valuation	-	21.33	-	-	-	-	-	-	21.33
Disposal/Deduction	-	-	-	82.51	-	6.30	-	-	88.81
Balance as at 31st March, 2020	6,063.46	873.76	997.07	27,640.89	487.77	989.23	141.40	131.60	37,325.18
Additions	12.30	31.41	177.53	1,059.05	13.21	0.45	14.37	5.93	1,314.25
Fair valuation	-	-	-	-	-	-	-	-	-
Disposal/Deduction	-	-	-	412.36	-	27.17	0.45	-	439.98
Balance as at 31st March, 2021	6,075.76	905.17	1,174.60	28,287.58	500.98	962.51	155.32	137.53	38,199.45
Accumulated depreciation									
Balance as at 1st April, 2019	-	-	491.41	18,208.32	298.86	663.83	104.87	119.80	19,887.09
Depreciation for the year	239.38	-	84.95	936.10	48.44	103.29	14.80	6.78	1,433.74
Depreciation due to obsolescence	-	-	12.19	48.61	0.15	0.09	-	-	61.04
Disposal/Deduction	-	-	1.61	81.87	0.91	6.59	0.43	1.82	93.23
Balance as at 31st March, 2020	239.38	-	586.94	19,111.16	346.54	760.62	119.24	124.76	21,288.64
Depreciation for the year	245.02	-	114.16	987.84	38.88	71.02	12.67	3.97	1,473.56
Amortisation (due to depletion in value)	-	-	12.19	-	-	-	-	-	12.19
Disposal/Deduction	-	-	-	378.83	-	26.48	0.43	-	405.74
Balance as at 31st March, 2021	484.40	-	713.29	19,720.17	385.42	805.16	131.48	128.73	22,368.65
Net Carrying amount									
Property, Plant and Equipment									
Net Carrying Amount	Right of Use assets	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
As at 31st March, 2020	5,824.08	873.76	410.13	8,529.73	141.23	228.61	22.16	6.84	16,036.54
As at 31st March, 2021	5,591.36	905.17	461.31	8,567.41	115.56	157.35	23.84	8.80	15,830.80

Notes forming part of Consolidated Financial Statement

Note 3A Capital work in progress

(Rs. in lakhs)

Description	Amount
Balance as at 01st April, 2019	702.57
Additions	1,357.98
Capitalisation	2,024.88
Balance as at 31st March, 2020	35.67
Additions	1,916.88
Capitalisation	1,136.79
Balance as at 31st March, 2021	815.76

Note 3B Intangible Assets

(Rs. in lakhs)

Description	Amount
Gross carrying amount as at 01st April, 2019	29.82
Additions	
Deductions	-
Balance as at 31st March, 2020	29.82
Additions	-
Deductions	-
Balance as at 31st March, 2021	29.82
Accumulated balance as at 01st April, 2019	25.91
Depreciation for the year	2.44
Depreciation adjustment	-
Deduction	-
Balance as at 31st March, 2020	28.35
Depreciation for the year	0.90
Balance as at 31st March, 2021	29.25
Net carrying amount	-
As at 31st March, 2020	1.47
As at 31st March, 2021	0.57

Note 4 Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Carried at amortised cost				
Security Deposit (unsecured considered good)	-	369.97	-	379.90
Total	-	369.97	-	379.90

Notes forming part of Consolidated Financial Statement

Note 5 Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Equity Instruments		
Designated at Fair Value through other comprehensive income		
Unquoted		
(a) 1000 nos. of shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd.	0.10	0.10
(b) 25000 nos. of shares having face value Rs.10 each in K.M Shakar Karkhana Pvt Ltd.	4.70	3.96
(c) 2,000 nos. of shares having face value of Rs. 10 each in HH Foundation	-	0.20
(d) 10,90,000 nos. having face value of Rs. 10 each in Sonar Casting Ltd.	99.71	107.69
(ii) Preference share (Measured at amortised cost)		
In 12% Non-cumulative redeemable preference shares fully paid up		
2,04,00,000 (P.Y. 2,00,00,000) nos. of Preference Share having face value of Rs.10 each in Sonar Casting Ltd.	1,634.39	2,000.00
In 9% Non-cumulative redeemable preference shares fully paid up		
(a) 38,50,000 nos. of preference shares having face value of Rs. 10 each in Brahma Properties Pvt. Ltd.	333.53	332.51
(b) 33,89,215 nos. of preference shares having face value of Rs. 10 each in K M Energy Pvt. Ltd.	294.25	293.28
Total	2,366.68	2,737.74
Aggregate carrying value of unquoted investments	2,817.73	2,735.73
Aggregate fair value of unquoted investments	2,366.68	2,737.74

Note 6 Other Financial Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposit with banks		
Original maturity more than 12 months	174.39	174.38
Fixed deposit for guarantee (Earmarked)		
Original maturity more than 12 months	54.69	43.84
Interest accrued	16.63	5.35
Total	245.71	223.57

Note 7 Non current Tax Asset (Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Tax (net of provision)	656.96	627.13
TDS Receivable	3.05	19.49
	660.01	646.62
Less:- Provision for Income Tax for current year	635.56	518.08
Total	24.45	128.54

Notes forming part of Consolidated Financial Statement

Note 8 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Capital advances		19.19		17.95
Advance to suppliers and others				
Considered Good				
Considered doubtful	221.54		224.14	
Less: Allowance for doubtful advance	221.54	-	224.14	-
Others				
Duties and Taxes Paid under protest		15.07		10.79
Upfront fee		-		18.01
Total		34.26		46.75

Note 9 Inventories

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Raw materials	2.72	8.62
(b) Finished Goods *	35,167.62	25,851.48
(c) Work in progress	412.60	360.99
(d) Stores and spares	552.88	550.53
Total	36,135.82	26,771.62

(Refer Note No. - '2.8' for Method of Valuation)

Note 10 Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Measured at Fair Value through OCI		
Investment in SBI Mutual Fund	1.82	1.53
5316.206 units of SBI Saving Fund (P.Y. Nil), Nil units of SBI Liquid Fund (P.Y 49.421 units)		
Total	1.82	1.53

Note 11 Trade and other receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
- Unsecured				
Considered Good		0.52		335.78
Considered Doubtful	30.38		30.24	
Less:- Allowance for expected credit losses	30.38	-	30.24	-
		0.52		335.78
Others				
Considered Good		1,956.33		1,743.72
Total		1,956.85		2,079.50

Notes forming part of Consolidated Financial Statement

Note 12 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Balances with Banks				
In current Account	532.61		291.02	
In EEFC Account	0.02		-	
Fixed deposit with Bank upto 3 months	-	532.63	80.00	371.02
Cheques/draft on Hand		0.69		-
Cash in hand*		7.55		5.82
Total		540.87		376.84

*As certified by the management

Note 12A Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposits with banks (Earmarked)		
Pledged with bank for bank guarantee original maturity period upto 12 months	5.81	-
Pledged with bank for bank guarantee maturing within 12 months	17.41	58.55
For molasses storage fund original maturity period upto 12 months	20.04	-
Fixed deposits with banks maturity period upto 12 months	4.45	1.00
Molasses storage Fund in SB account (Earmarked)	-	18.30
Total	47.71	77.85

Note 13 Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Interest receivable	10.67	216.02
(b) Assistance receivable*	3,348.77	2,594.40
Total	3,359.44	2,810.42

*Refer Note No.36.22 and 36.23

Note 14 Other current assets

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
(a) GST and other taxes receivable		201.84		390.27
(b) Security Deposit				
Considered Good		38.14		27.94
Considered Doubtful	16.00		16.00	
Less: Allowance for expected credit loss	16.00	-	16.00	-
(c) Advance to employees		15.05		8.37
(d) Advances for supply of goods & services		173.35		219.75
(e) Prepaid Expenses		297.29		333.12
(g) Others		3.36		0.35
Total		729.03		979.80

Notes forming part of Consolidated Financial Statement

Note 15 Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity Share Capital				
Equity Shares of Rs. 2/- each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Issued capital				
Equity Share Capital				
Equity Shares of Rs. 2/- each	9,20,00,170	1,840.00	9,20,00,170	1,840.00
Subscribed and paid up capital				
Equity Share Capital				
Equity Shares of Rs. 2/- each	9,20,00,170	1,840.00	9,20,00,170	1,840.00

Reconciliation of number of shares outstanding and the amount of share capital outstanding

i) Equity share capital

(Rs. in lakhs)

Particulars	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00

ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of Issued, subscribed and paid up equity shares having a par value of INR 2/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of the Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	Percentage of shareholding	No. of Shares held	Percentage of shareholding
Equity shares of INR 2/- each fully paid up				
Mr. L. K. Jhunjunwala	1,43,02,600	15.55	1,38,02,600	15.00
L. K. Jhunjunwala (HUF)	1,00,65,900	10.94	1,00,65,900	10.94
Mr. Aditya Jhunjunwala	48,39,242	5.26	48,39,242	5.26
Marvel Business Pvt. Ltd.	1,22,44,253	13.31	1,21,41,040	13.20

Notes forming part of Consolidated Financial Statement

Note 16 Other equity

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
General Reserve		
Opening balance	1,178.18	1,178.18
Add: Changes during the year	-	-
Closing balance	1,178.18	1,178.18
Initial Depreciation Reserve		
Opening balance	1.72	1.72
Add: Changes during the year	-	-
Closing balance	1.72	1.72
Molasses Storage Fund		
Opening balance	19.31	16.00
Add: Changes during the year	3.34	3.31
Closing balance	22.65	19.31
Sugar Price Equalisation Reserve		
Opening balance	12.40	12.40
Add Changes during the year	-	-
Closing balance	12.40	12.40
Securities Premium Account		
Opening balance	2,688.01	2,688.01
Add Changes during the year	-	-
Closing balance	2,688.01	2,688.01
Retained Earnings		
Opening balance	6,990.00	5,135.74
Add: Profit/ Loss during the year	2,624.22	1,852.60
Add: Transfer from Other Comprehensive Income	1.41	1.66
Closing balance	9,615.63	6,990.00
Comprehensive Income		
Opening balance	5,999.63	6,011.55
Add Changes during the year	(12.98)	(10.26)
Less: Transfer to Retained Earnings	(1.41)	(1.66)
Closing balance	5,985.24	5,999.63
Total	19,503.83	16,889.25

Notes forming part of Consolidated Financial Statement

Note 17 Borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Long term borrowings				
Carried at Amortised cost				
From Banks				
Secured				
Rupee term loans				
State Bank of India Soft Loan	-	-	575.00	1,712.62
Punjab National Bank Soft Loan	-	-	989.24	-
Punjab National Bank covid Loan	328.80	30.97	-	-
State Bank of India GECL 2.0	136.56	2,048.44	-	-
State Bank of India Covid Loan	743.03	62.33	-	-
State Bank of India -U.P Govt. SEFASU Loan	955.19	1,907.74	955.19	2,702.29
Total	2,163.58	4,049.48	2,519.43	4,414.91

Nature of securities

- (1) Rupee Term Loan (Soft loans) of State Bank of India and Punjab National Bank are secured by extension of first charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of three directors in case of SBI loan and Personal guarantee of two directors in case of PNB.
- (2) Rupee Term Loan of State Bank of India (U.P. Govt. SEFASU Loan) is secured by first charge on entire fixed assets of the company, present and future, on pari passu basis with other term lenders.
- (3) Rupee Term Loan of State Bank of India (GECL) is secured by second charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of three directors.
- (4) Rupee Term Loan, Common Covid 19 Emergency Credit Line loan (CCECL), from State Bank of India and Punjab National Bank are secured by way of hypothecation and pari passu first charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohol, book debts and other current assets of the company, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of three Directors.

Terms of Repayment

(Rs. in lakhs)

Name of the banks / entities	Interest Rate (%)	Amount Outstanding as on 31, March, 2021		1-5 years	5 years and above
		Current	Non Current		
SBI SEFASU Loan-2018 @ 5%	5.00	955.19	2,149.17	2,149.17	-
SBI GECL	7.95	136.56	2,048.44	2,048.44	-
SBI Common Covid 19 loan	7.40	743.03	62.33	62.33	-
PNB Covid 19 loan	8.25	328.80	30.97	30.97	-
Total		2,163.58	4,290.91	4,290.91	-

Rate of interest has been disclosed for loans which are outstanding on balance sheet date and in case of default, penal interest are charged as per sanction.

Subsidised loan taken from bank and Government has been amortised using effective interest rate and maturity profile of loan is as per repayment schedule.

Notes forming part of Consolidated Financial Statement

Note 18 Other financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Corporate Guarantees issued (Refer Note 36.1)	-	182.19	-	197.57
Total	-	182.19	-	197.57

Note 19 Other non current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Government Grant	291.02	470.77
Other payable	14.50	14.50
Total	305.52	485.27

Note 20 Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liabilities		
Depreciation	972.28	1,311.13
Total A	972.28	1,311.13
Deferred Tax Assets		
Expenses allowable for tax purpose when paid	79.03	136.98
MAT credit entitlement	-	545.49
Others	264.62	158.87
Total B	343.65	841.34
Total A-B	628.63	469.79

*Refer Note 35 and 36.31

Note 21 Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non current	Current	Non current
Provisions for employees benefits				
Unavailed leave	11.02	24.66	27.85	36.56
Gratuity	24.34	-	38.79	-
Other Provision *	-	451.84	-	451.85
Total	35.36	476.50	66.64	488.41

* Includes duties, taxes and penalty levied by Commissioner of Excise, Bihar

Notes forming part of Consolidated Financial Statement

Note 22 Borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Short Term borrowings		
Loan repayable on demand		
Working capital loans		
From banks		
Secured		
State Bank of India	8,952.58	4,110.69
Punjab National Bank	4,934.41	4,466.86
District Co-operative Bank Limited	-	1,895.85
Total	13,886.99	10,473.40

Summary of short term borrowings

Secured borrowings

Nature of Securities

- Working capital loans from State Bank of India is secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohol, book debts and other current assets of the company, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of three Directors.
- Working capital loan from Punjab National Bank is secured by pledge of stock of Crystal sugar, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of three Directors.
- Working capital loan from District Co-operative Bank Ltd., Faizabad is secured by pledge of stock of Crystal sugar, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of a Director.

Note 23 Trade and other payables

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non current	Current	Non current	Current
(i) Total outstanding dues of micro enterprises and small enterprises	-	45.25	-	5.03
(ii) Other than micro enterprises and small enterprises	-	17,551.85	-	11,910.99
Total	-	17,597.10	-	11,916.02

Note 24 Other financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non current	Current	Non current	Current
Current maturities of long term debt*	-	2,163.58	-	2,519.43
Interest accrued but not due on borrowings	-	13.21	-	72.87
Interest accrued and due on borrowings	-	19.83	-	-
Payable to capital goods supplier	-	345.33	-	357.33
Security Deposit	-	293.53	-	290.92
Salary and other payables to employees	-	150.06	-	125.79
Other payable	-	333.04	-	331.29
Total	-	3,318.58	-	3,697.63

*Refer Note No. 17 for nature of securities and term of repayment respectively

Notes forming part of Consolidated Financial Statement

Note 25 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory liabilities	154.23	423.39
Deferred government grant	88.68	88.68
Advances from customers	54.76	919.67
Outstanding liability of related parties	337.89	317.11
Total	635.56	1,748.85

Note 26 Revenue from operations

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of goods		
Sugar*	39,212.92	41,332.04
Molasses	85.30	61.41
Bagasse	1,489.74	1,112.45
Industrial alcohol	4,894.06	4,923.52
Power	1,603.63	1,504.07
Others	1,000.85	351.30
Total A	48,286.50	49,284.79
* Sugar sales includes export of Rs.2415.48 lakhs (Previous year of Rs.1598.78 lakhs)		
Other operating revenue*		
Insurance and storage charges on buffer stock	24.65	50.79
Assistance on sugar quota export	1,962.00	3,799.50
Total B	1,986.65	3,850.29
Total revenue from operations	50,273.15	53,135.08
Total A+B		

* Refer Note No. 36.21 to 36.23

Notes forming part of Consolidated Financial Statement

Note 27 Other income

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on financial assets carried at amortised cost		
Security deposit	-	23.99
Fixed deposits with banks	22.95	50.78
Others	26.78	1.47
Government Grant*	179.75	354.71
Other non operating income		
Net gain on foreign currency transactions and translations	5.56	14.77
Insurance claims	17.09	1.76
Profit on sale of fixed assets	1.30	-
Unspent liabilities/balances written back	56.39	107.06
Miscellaneous income	137.17	104.99
Gain on mutual funds	1.85	0.56
Sugar handling receipt	-	384.70
Duty draw back receipt	0.26	-
Gain on cessation of subsidiary	-	77.49
Reversal of provision for doubtful ""debts/Advances	2.46	14.51
Total	451.56	1,136.79

* Refer Note No. 36.10

Note 28 Cost of materials consumed

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sugar cane	43,932.87	37,758.49
Total	43,932.87	37,758.49

Note 29 Purchase of stock in trade

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sugar	1,328.72	1,339.03
Other	494.95	325.78
Total	1,823.67	1,664.81

Notes forming part of Consolidated Financial Statement

Note 30 Changes in inventories of finished goods, by-products and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Finished goods		
Opening stock		
Sugar	24,386.46	24,322.81
Molasses	1,022.11	1,087.31
Bagasse	291.86	289.47
Industrial alcohol	125.96	49.66
Banked Power	25.09	25.59
Total (a)	25,851.48	25,774.84
Less : Closing stock		
Sugar	33,518.51	24,386.46
Molasses	843.32	1,022.11
Bagasse	195.53	291.86
Industrial alcohol	573.69	125.96
Banked Power	36.57	25.09
Total (b)	35,167.62	25,851.48
Total (a-b)	(9,316.14)	(76.64)
Work-in-progress		
Opening stock	360.99	360.05
Less : Closing stock	412.60	360.99
	(51.61)	(0.94)
Increase / Decrease in Inventories	Total	(9,367.75)
		(77.58)

Note 31 Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salary, wages and bonus	1,263.99	1,215.31
Contribution to provident fund and other funds	85.51	81.43
Workmen and staff welfare expenses	37.66	25.72
Gratuity expenses	24.34	38.79
Total	1,411.50	1,361.25

Note 32 Finance costs

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expenses		
Cash credit	322.60	882.18
Term loan	654.75	777.19
Others	12.37	40.04
Other borrowing costs	109.07	87.64
Total	1,098.79	1,787.05

Notes forming part of Consolidated Financial Statement

Note 33 Depreciation and amortisation expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation of property, plant & equipment	1,473.56	1,433.74
Amortisation of intangible assets	0.90	2.44
Amortisation (due to depletion in value)	12.19	61.04
Total	1,486.65	1,497.22

Note 34 Other Expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores and spare parts	671.78	462.48
Packing materials	546.85	363.11
Power and fuel	179.64	305.45
Rent	194.78	228.43
Repairs to :		
Buildings	132.60	84.92
Plant & Machinery	1,081.88	940.48
Others	231.87	183.18
Insurance	106.15	61.31
Rates and taxes	72.83	60.40
Selling expenses :		
Commission to selling agents	172.95	166.03
Other selling expenses	815.89	1,280.90
Payments to auditors :		
Statutory audit fee	5.06	5.06
Tax audit fee	1.00	1.00
Reimbursement of expenses	0.08	-
Charity and donation	126.87	52.20
Printing and stationary	12.30	15.49
Communication expenses	14.38	17.45
Travelling expenses	164.74	423.30
Consultancy and legal expenses	185.33	230.38
Directors sitting fees	6.60	2.38
Directors remuneration	522.88	760.72
Miscellaneous expenses	417.72	589.47
CSR expenditure	256.34	68.58
Loss on sale/discard of property, plant and equipment	9.40	0.67
Transfer to storage fund for molasses	3.34	3.31
Balances written off	29.07	25.93
Fair valuation of financial instrument	403.62	-
MAEQ expenses*	549.88	1,137.57
Total	6,915.83	7,470.20

Notes forming part of Consolidated Financial Statement

Note 35 : Consolidated Tax Reconciliation

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

(i) Profit or loss section

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current tax expense	635.73	514.49
Deferred tax expense	163.20	443.34
Total	798.93	957.83

(ii) OCI Section

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net gain / (loss) on remeasurement of defined benefit plans	(9.92)	(40.33)
Gain / (Loss) arising on fair valuation of assets	-	21.33
Unrealised gain/(loss) on FVTOCI equity securities	(7.42)	(0.55)
Income tax charged to OCI	4.36	9.29
Total	(12.98)	(10.26)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2021 and 31st March, 2020

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current tax	635.73	514.49
Deferred tax (Refer note no.20)	163.20	443.34
Total	798.93	957.83
Accounting profit before tax from continuing operations	3,423.15	2,810.43
Applicable tax rate (using Company's tax rate)	34.944%	34.944%
Computed tax expense (A)	1,196.19	982.08
Expenses not allowable for tax purpose	427.88	280.17
Effect of tax deduction	(362.79)	(148.47)
Changes in recognized deductible temporary differences	83.81	300.38
Recognition of MAT credit	(546.16)	(456.33)
Net adjustment (B)	(397.26)	(24.25)
Tax expense (A+B)	798.93	957.83

Notes forming part of Consolidated Financial Statement

Note 35 : Consolidated Tax Reconciliation (Cntd...)

(Rs. in lakhs)

Particulars	As at 1st April, 2019	Provided during the year	As at 31st March, 2020	Provided during the year	As at 31st March, 2021
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	1,267.15	43.98	1,311.13	(338.85)	972.28
Ind AS effect related to Financial Asset / Liability (Net)	27.11	(27.11)	-	-	
Total deferred tax liability (A)	1,294.26	16.87	1,311.13	(338.85)	972.28
Deferred tax assets:					
MAT Recoverable	1,027.71	(482.22)	545.49	(545.49)	-
Expenses allowable on payment basis	147.92	(10.94)	136.98	(57.95)	79.03
Other Ind AS adjustments related to Financial Asset/Liabilities (Net)	82.90	75.97	158.87	105.75	264.62
Total deferred tax assets (B)	1,258.53	(417.19)	841.34	(497.69)	343.65
Deferred Tax Liability / (Asset) (Net) (A - B)	35.73	434.06	469.79	158.84	628.63

The ultimate realisation of deferred tax assets and unused tax credits is dependent upon the generation of future taxable income. Deferred tax assets including MAT credit entitlement is recognised on management's assessment of reasonable certainty for reversal/utilization thereof against taxable income.

36.1 Financial risk management objectives and policies

The Group's principal financial liabilities include borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents and other financial assets that arise directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Group. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Board of Directors reviewed policies for managing each of below mentioned risks, which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other risks, such as regulatory risk and commodity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings obligations with floating interest rates. To mitigate the interest rate risks, the Group has established a periodical review procedure and ensures long term relations with the lenders to raise adequate funds at competitive rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts. The Group does not have substantial transactions during the year in foreign currency so the Group does not have such kind of risk.

Foreign currency risk	In USD	Rs. in lakhs
Outstanding Balance from customers	NIL	NIL

As the amount of foreign exchange fluctuation is not material during past period so the Group has not hedged the foreign currency.

Notes forming part of Consolidated Financial Statement

(iii) Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and state government's policies and regulations affect the Sugar industry and the Group's operations and profitability. Distillery business is also dependent on the Government policy.

(iv) Commodity price risk

Sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affects profitability. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's sugar sales are mostly on cash. Power and ethanol are sold to state government entities; thereby the credit default risk is significantly mitigated. The Central Govt. has fixed the minimum sale price of sugar w.e.f. 14.02.2019 at Rs.3,100 per Qtl. which has mitigated the price risk to the some extent. Similarly, ethanol and power are sold to the Govt. undertakings at fixed prices as per Govt. orders / regulatory guidelines.

The impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

(i) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 3 to 60 days. An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the balance sheet date is the ageing analysis of the receivables has been considered from the date the invoice falls due:

(Rs. in lakhs)

Description	As at 31 st March, 2021	As at 31 st March, 2020
Upto 6 months	1956.33	1,743.72
6 to 12 Months	0.52	174.78
More than 12 months	30.38	191.24

The management has made provision for expected credit loss amounting to Rs.30.38 lakhs (Rs.30.24 lakhs) and management is of view that although certain amounts are beyond credit period but they are in fact recoverable and will be received in due course so balance amount is not liable to expected credit loss.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under Note No. 11. The following table summarizes the change in the loss allowances measured using life time expected credit loss method for trade receivables:

(Rs. in lakhs)

Particulars	Amount
Balance as at 01st April, 2020	30.24
Provided during the year	0.14
Reversed during the year	-
Balance as at 31st March, 2021	30.38
Balance as at 01st April, 2019	35.21
Provided during the year	-
Reversed during the year	4.97
Balance as at 31st March, 2020	30.24

Notes forming part of Consolidated Financial Statement

Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. The Group is maintaining cash credit limit to a reasonable level to meet out the current obligation.

The Group's objectives are to meet the funding requirements and maintain flexibility in this respect through the use of cash credit facilities and term loans.

The table below summarises the maturity profile of the Group's financial liabilities:

(Rs. in lakhs)

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2021				
Term loans-non current	-	4,049.48	-	4,049.48
Loans repayable on demand	13,886.99	-	-	13,886.99
Trade payables	17,597.10	-	-	17,597.10
Other financial liabilities	3,099.59	333.42	67.76	3,500.77
Total	34,583.68	4,382.90	67.76	39,034.34

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2020				
Term loans-non current	-	4,414.91	-	4,414.91
Loans repayable on demand	10,473.40	-	-	10,473.40
Trade payables	11,916.02	-	-	11,916.02
Other financial liabilities	3,449.10	320.61	125.49	3,895.20
Total	25,838.52	4,735.52	125.49	30,699.53

36.2 Capital Management

(i) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholders value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio under control except for the first quarter of the financial year due to non-payment of cane dues. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the current period.

Notes forming part of Consolidated Financial Statement

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020:

(Rs. in lakhs)

Description	As at 31st March, 2021	As at 31st March, 2020
Borrowings	20,100.05	17,407.74
Other financial liabilities	1,337.19	1,375.77
Trade payables	17,597.10	11,916.02
Less: Cash and cash equivalents	540.87	376.84
Net debts	38,493.47	30,322.69
Equity	1,840.00	1,840.00
Other equity	19,503.83	16,889.25
Total capital	21,343.83	18,729.25
Capital and net debt	59,837.30	49,051.94
Gearing ratio (%)	64.33	61.82

(ii) Dividends

No dividend has been recommended for the financial year ended 31st March, 2021.

36.3 Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

(Rs. in lakhs except no. of shares and EPS)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Profit attributable to equity shareholders of the Company:	2,624.22	1,852.60
Profit attributable to equity shareholders for basic earnings	2,624.22	1,852.60
Profit attributable to equity shareholders adjusted for dilution effect	2,624.22	1,852.60
Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted)	9,20,00,170	9,20,00,170
Earnings Per Share (Basic & Diluted)	2.85	2.01

36.4 Employee benefits

As per Ind AS 19 "Employee benefits", the disclosures of employee benefits are as follows:

- (i) Employee benefits in the form of Provident Fund are considered as defined contribution plan. The contributions are made as per the relevant statute. The contributions to defined benefit plan, recognized as expense in the Statement of Profit & Loss is as under:

31st March, 2021 31st March, 2020

Employers' contribution to provident fund

Rs. 85.51 lakhs

Rs. 81.43 lakhs

(ii) Defined benefits plans

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plans. The present value of obligation is determined based on actuarial valuation using projected Unit credit method as at the balance sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of obligation as adjusted for unrecognized past service cost as reduced by the fair value of plan assets. Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

Notes forming part of Consolidated Financial Statement

In accordance with the Ind AS-19, actuarial valuation was done in respect of gratuity and leave encashment given below :

(Rs. in lakhs)

Description	Gratuity Current Year (Funded)	Gratuity Previous Year (Funded)	Leave Encashment Current Year (Non funded)	Leave Encashment Previous Year (Non funded)
I. Expenses recognized in the Statement of Profit and Loss				
Current service cost	25.75	23.61	10.74	11.91
Interest cost	20.15	19.02	4.51	3.76
Past service cost	-	-	-	-
Expected return on plan assets	(17.44)	(16.81)	-	-
Net expenses recognized in Statement of Profit and Loss	28.46	25.82	15.25	15.67
II. Other comprehensive (income)/expenses (Re-measurement)				
Accumulated (gain)/loss opening balance	27.69	14.72	81.31	53.94
Actuarial (gain)/loss – obligation	12.22	3.66	14.05	27.36
Actuarial (gain)/loss – plan assets	(16.35)	9.31	-	-
Total Actuarial (gain)/loss	(4.13)	12.97	14.05	27.36
Actuarial (gain)/loss at the end of the period	23.56	27.69	95.36	81.30
III. Net liability/(assets) recognized in the balance sheet As at 31st March, 2021				
Present value of obligations at the end of period	274.61	287.93	35.68	64.41
Fair value of the plan assets at the end of period	250.27	249.14	-	-
Funded status surplus/(deficit)	(24.34)	(38.79)	(35.68)	(64.41)
Net liability/(asset) as at 31 st March, 2021	24.34	38.79	35.68	64.41
IV. Changes in present value of obligations during the year				
Present value of obligation at the beginning of the year	287.93	271.65	64.41	53.71
Current service cost	25.75	23.61	10.74	11.91
Interest cost	20.15	19.02	4.51	3.76
Past service cost	-	-	-	-
Benefits paid if any	(71.45)	(30.01)	(58.03)	(32.33)
Actuarial loss/ (gain)	12.23	3.66	14.05	27.36
Present value of obligation at the year end	274.61	287.93	35.68	64.41
V. Changes in fair value of plan assets				
Fair value of plan assets at the beginning of period	249.14	240.10	-	-
Expected return on plan assets	17.44	16.81	-	-
Contributions	38.79	31.55	-	-
Benefits paid	(71.45)	(30.01)	-	-
Actuarial Gain/(Loss) on plan assets	16.35	(9.31)	-	-
Fair value of plan assets at the year end	250.27	249.14	-	-

Notes forming part of Consolidated Financial Statement

Description	Gratuity Current Year (Funded)	Gratuity Previous Year (Funded)	Leave Encashment Current Year (Non funded)	Leave Encashment Previous Year (Non funded)
VI. Maturity profile of defined benefit obligation				
Within in next 12 months	32.44	50.58	10.57	27.85
Between 2 and 5 years	65.33	75.55	25.11	36.56
5 years and above	176.84	161.80	-	-
Total expected payments	274.61	287.93	35.68	64.41
Weighted average duration (based on discounted cash flow) in years	8	7	-	-
Details of plan asset	Gratuity Trust	Gratuity Trust	N/A	N/A
SBI Kalyan ULIP Plus II	245.94	225.30	-	-
Bank Balance and Others	4.33	23.84	-	-

The history of funded post retirement plans are as follows for gratuity:

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017
Present value of Defined Benefit Obligation	274.61	287.93	271.65	268.38	271.81
Fair value of Plan Assets	250.27	249.14	240.10	245.28	207.51

The Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase 5% per annum of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Actual mortality & disability: Deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Actuarial Assumption

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Current Year	Previous Year	Current Year	Previous Year
Discount rate (per annum)	7.00%	7.00%	7.00%	7.00%
Future salary increase (per annum)	5.00%	5.00%	5.00%	5.00%
Retirement/Superannuation Age (Year)	60	60	60	60
Expected rate of return on plan assets	0%	0%	0%	0%
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Notes forming part of Consolidated Financial Statement

Gratuity

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	274.61 @Salary increase rate: 5%, and discount rate: 7%
Liability with x% increase in Discount Rate	255.75; x=1.00% [Change (7%)]
Liability with x% decrease in Discount Rate	296.03; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	296.25; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	255.24; x=1.00% [Change (7%)]
Liability with x% increase in Withdrawal Rate	276.68; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	272.98; x=1.00% [Change (1%)]

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Leave Encashment

Period	As on: 31/03/2021
Defined Benefit Obligation (Base)	35.68
Liability with x% increase in Discount Rate	33.12; x=1% [Change (7%)]
Liability with x% decrease in Discount Rate	38.71; x=1% [Change 8%]
Liability with x% increase in Salary Growth Rate	38.74; x=1% [Change 9%]
Liability with x% decrease in Salary Growth Rate	33.05; x=1% [Change (7%)]
Liability with x% increase in Withdrawal Rate	36.17; x=1% [Change 1%]
Liability with x% decrease in Withdrawal Rate	35.24; x=1% [Change (1%)]

36.5 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities:

(Rs. in lakhs)

Particulars	31st March, 2021	31st March, 2020
(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under Labour laws	84.91	97.11
(ii) Claims against the Company not acknowledged as debts in respect of Criminal and Civil Cases	9.39	11.63
(iii) Bank guarantees given to the Central Government, Commissioner Excise & Commercial Tax Department of Bihar and oil manufacturing companies	373.15	625.29
(iv) Corporate guarantee given by the Company for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks). Outstanding amount Rs.6414.41 lakhs as on 31.03.2021.	7549.60	7095.00
(v) Disputed Sales Tax/Trade Tax/Entry Tax cases under appeal*	15.90	20.60
(vi) Penalty levied by Competition Commission of India and U P Pollution Control Board	43.34	49.34

* Amount after deducting Rs.15.07 lakhs (As on 31st March 2020 Rs.10.60 lakhs) paid under protest.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals filed by the Company.

Notes forming part of Consolidated Financial Statement

The State Government had issued orders for waiver of interest on delayed cane payment for the sugar seasons 2012-13 to 2014-15. The Hon'ble High Court of Allahabad, Lucknow Bench vide order dated 09.03.2017 in PIL No.67617 of 2014 connecting with other PIL and cases has quashed the waiver of interest for these years and remanded the matter to Cane Commissioner for consideration of interest payment to farmers on account of delayed cane payment. No order has yet been passed by the Cane Commissioner and the amount of interest payable, if any, has also not been determined and ascertained.

The Group was liable to pay Purchase Tax @Rs.2/- per quintal on cane purchases. With GST implementation w.e.f. 01.07.2017 the purchase tax is not liable to be paid as all taxes got subsumed in GST. Sugar factories had received notices for payment of balance Cane Purchase Tax of season 2016-17 against which UPSMA has filed case in 2018 in the High Court, Lucknow and has also sought clarification from GST Council that Purchase Tax not to be demanded w.e.f. 01.07.2017 considering all taxes got subsumed in GST. The Group received a notice from District Magistrate, Ayodhya to pay the balance amount of Purchase Tax of season 2016-17. The liability of Purchase Tax for season 2016-17 is indeterminate.

The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be ascertained accurately. The Group does not expect any reimbursements in respect of above contingent liabilities.

Capital Commitments

(Rs. in lakhs)

Particulars	31st March, 21	31st March, 20
Estimated amount of contracts remaining to be executed on capital account and not provided for	39.37	29.63
Less: Advances paid against above	30.99	17.95
Net Amount	8.38	11.68

36.6 Leases

Group as lessee

The Group has taken commercial properties on cancellable operating lease. The lease agreement provides for an option to the Group to renew the lease period at the end of cancellable period.

The Group has adopted Ind AS-116 "Leases" w.e.f. 01.04.2019 and applied the standard to lease contracts existing on 1st April, 2019 using the modified retrospective method.

Consequent to this, such assets have been recognised as "Right-of-use" (ROU) assets and have been amortized over the term of the lease. The same has been shown under note no.3 of financial statements. Depreciation charge for ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss under note no.33.

Further, to above, the Group has certain lease agreement on short term basis, expenditure on which has been recognized under rent (other expenses).

The effect of adoption of Ind AS -116 "Leases" is not material on the profit before tax, profit for the year and earnings per share.

Following is the break-up of current and non-current lease liabilities as at 31 March, 2021

(Rs. in lakhs)

Particulars	As at 31 March, 2021
Current Lease Liabilities in respect of long term lease	6.59
Non-Current Lease Liabilities	0.58
Total	7.17

Notes forming part of Consolidated Financial Statement

Following is the movement in long term lease liabilities during the year ended 31 March, 2021

(Rs. in lakhs)

Particulars	As at 31 March, 2021
Balance at the beginning	-
Additions during the year	12.30
Finance cost accrued during the year	0.73
Deletions during the year	-
Payment of Lease Liabilities during the year	5.86
Translation Differences	-
Balance at the end	7.17

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2021 on an undiscounted basis:

(Rs. in lakhs)

Particulars	As at 31 March, 2021
Future Minimum Lease Payment	
Not later than one year	6.97
Later than one year but not later than five year	0.59
Later than five year	-
Total	7.56

Group as lessor

The Group has given certain portion of factory premises on cancellable operating lease. The rent received on the same has been grouped under other income. The rent received during the year is Rs. 5.72 lakhs (previous year Rs.17.13 lakhs).

36.7 The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(Rs. in lakhs)

S.No.	Particulars	31-March-2021	31-March-2020
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	45.13	5.02
	Interest due on above	0.12	0.01
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.12	0.01
(e)	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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Notes forming part of Consolidated Financial Statement

36.8 Related Party Disclosures: -

Pursuant to compliance of Ind AS 24 on "Related Party Disclosures", the relevant information is provided here below:-

I. Related Parties with whom there were transactions during the year:

a) Related party where control exist:

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director

b) Details of the related parties:

i. Key Management Personnel (Group A)

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director
- Shri S. C. Agarwal -Executive Director
- Ms. Pooja Dua -Company Secretary
- Shri Arvind Kumar Gupta -Chief Financial Officer
- Shri H. P. Singhania** -Independent Director
- Mrs. Madhu Mathur -Independent Director
- Shri S. K. Gupta -Independent Director
- Shri Sushil Solomon -Independent Director
- Shri Bibhash Kumar Srivastava*** -Independent Director

ii. Relatives of Key Management Personnel (Group B)

- Shri P. C. Jhunjhunwala
- L. K. Jhunjhunwala (HUF)
- A. K. Jhunjhunwala (HUF)
- S. K. Jhunjhunwala (HUF)
- Smt. Naina Jhunjhunwala (Wife of Shri L.K. Jhunjhunwala)
- Smt. Priti Jhunjhunwala (Wife of Shri Aditya Jhunjhunwala)
- Smt. Priti Jhunjhunwala (Wife of Shri Sanjay Jhunjhunwala)
- Shri Vatsal Jhunjhunwala (Son of Shri Aditya Jhunjhunwala)
- Smt. Rina Agarwal (Wife of Shri S. C. Agarwal)

iii. Enterprises/ Parties over which Key management personnel or their relatives have substantial interest/ significant influence (Group C)

- K.M. Plantations (P) Ltd.
- Marvel Business (P) Limited
- Francoise Commerce (P) Limited
- Nidhi Financial Services (P) Limited
- Promissing Logistics (P) Ltd.
- Jhunjhunwala Securities (P) Ltd.

Notes forming part of Consolidated Financial Statement

- Shri Shakti Credits Ltd.
- Zar International (P) Ltd.
- Palak Jhunjhunwala Trust
- KM Energy Pvt. Ltd.
- Brahma Properties Pvt. Ltd.
- Sonar Casting Ltd.
- Shri Laxmi Public Charitable Trust
- Indian Sugar Exim Corporation Ltd.

c) Transactions with the related parties:

(Rs . in lakhs)

Sl. no.	Nature of transaction/ Name of the related party	Subsidiary 2020-21 (2019-20)	Key Managerial Personnel (KMP) 2020-21 (2019-20)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2020-21 (2019-20)	Total 2020-21 (2019-20)
i.	Investment made				
	Sonar Casting Ltd.*	- (1334.00)	- (-)	40.00 (-)	40.00 (1334.00)
ii.	Remuneration including commission and PF#				
	Shri L. K. Jhunjhunwala	- (-)	181.22 (308.26)	- (-)	181.22 (308.26)
	Shri Aditya Jhunjhunwala	- (-)	200.36 (308.14)	- (-)	200.36 (308.14)
	Shri Sanjay Jhunjhunwala	- (-)	110.61 (107.59)	- (-)	110.61 (107.59)
	Shri S. C. Agarwal	- (-)	43.94 (44.09)	- (-)	43.94 (44.09)
	Shri P. C. Jhunjhunwala	- (-)	- (-)	24.00 (4.00)	24.00 (4.00)
	Shri Arvind Kumar Gupta	- (-)	18.52 (17.13)	- (-)	18.52 (17.13)
	Ms. Pooja Dua	- (-)	4.30 (3.60)	- (-)	4.30 (3.60)
iii.	Education fee paid				
	Shri Vatsal Jhunjhunwala	- (-)	- (-)	59.24 (67.52)	59.24 (67.52)
iv.	Rent paid				
	Sri Shakti Credits Ltd.	- (-)	- (-)	3.00 (4.40)	3.00 (4.40)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (1.14)	1.14 (1.14)
	Marvel Business Pvt. Ltd.	- (-)	- (-)	7.20 (7.20)	7.20 (7.20)
v.	Sugar sold				
	Francoise Commerce Pvt. Ltd.	- (-)	- (-)	- (255.31)	-(255.31)
vi.	MAEQ export facilitation charges payable				
	Indian Sugar Exim Corporation Ltd.	- (-)	- (-)	549.88 (1137.57)	549.88 (1137.57)
vii.	Loans repaid				
	Shri L. K. Jhunjhunwala	- (-)	- (31.00)	- (-)	-(31.00)
	Shri Sanjay Jhunjhunwala	- (-)	- (21.50)	- (-)	-(21.50)
	Shri Aditya Jhunjhunwala	- (-)	- (61.50)	- (-)	-(61.50)

Notes forming part of Consolidated Financial Statement

Sl. no.	Nature of transaction/ Name of the related party	Subsidiary 2020-21 (2019-20)	Key Managerial Personnel (KMP) 2020-21 (2019-20)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2020-21 (2019-20)	Total 2020-21 (2019-20)
viii.	Sitting fees paid				
	Shri H. P. Singhania**	- (-)	0.95 (0.64)	- (-)	0.95 (0.64)
	Smt. Madhu Mathur	- (-)	1.95 (0.52)	- (-)	1.95 (0.52)
	Shri S. K. Gupta	- (-)	2.25 (0.82)	- (-)	2.25 (0.82)
	Shri Bibhash Kumar Srivastava***	- (-)	0.20 (-)	- (-)	0.20 (-)
	Shri Sushil Solomon	- (-)	1.25 (0.30)	- (-)	1.25 (0.30)
ix.	Donation paid				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	100.00 (50.00)	100.00 (50.00)
x.	CSR paid				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	225.00 (65.00)	225.00 (65.00)
xi.	Balance outstanding				
	a. Amount payable				
	Shri L K Jhunjunwala	- (-)	123.12 (124.94)	- (-)	123.12 (124.94)
	Shri Aditya Jhunjunwala	- (-)	99.42 (121.70)	- (-)	99.42 (121.70)
	Shri Sanjay Jhunjunwala	- (-)	90.11 (52.02)	- (-)	90.11 (52.02)
	Shri S. C. Agarwal	- (-)	0.49 (2.60)	- (-)	0.49 (2.60)
	Shri Vatsal Jhunjunwala	- (-)	- (0.12)	- (-)	- (0.12)
	Shri P. C. Jhunjunwala	- (-)	- (-)	1.60 (1.80)	1.60 (1.80)
	Sri Shakti Credits Ltd.	- (-)	- (-)	2.76 (0.25)	2.76 (0.25)
	Marvel Business Pvt. Ltd.	- (-)	- (-)	20.84 (14.18)	20.84 (14.18)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (3.42)	1.14 (3.42)
	Indian sugar Exim Corp. Ltd.			432.74 (100.00)	432.74 (100.00)
	b. Guarantee given for Bank loan taken by the company				
	KM Plantation Pvt Ltd.	- (-)	- (-)	- (13767.29)	- (13767.29)
	c. Corporate guarantee given by the company for loan sanctioned/availed by				
	Sonar Casting Limited.*	- (-)	- (-)	7549.59 (7095.00)	7549.59 (7095.00)
	d . Investment Held				
	Equity share in Sonar Casting Limited*	- (-)	- (-)	109.00 (109.00)	109.00 (109.00)
	Preference share in Sonar Casting Limited*			2040.00 (2000.00)	2040.00 (2000.00)
	Preference share in K.M Energy Pvt. Limited	- (-)	- (-)	338.92 (338.92)	338.92 (338.92)
	Preference share in Brahma Properties Pvt. Limited	- (-)	- (-)	385.00 (385.00)	385.00 (385.00)

Related party transactions are shown at actual amount instead of fair value for the purpose of disclosure under related parties.

* Ceased to be subsidiary w.e.f. 26.12.2019

** Ceased on Board due to his sad demise on 16th September, 2020

*** Appointed w.e.f. 1st February, 2021

Notes forming part of Consolidated Financial Statement

#Directors Remuneration

(Rs. in lakhs)

S. No.	Particulars	Chairman	Managing Director and Joint Managing Director	Executive Director	TOTAL
1	Salary	96.00 (96.00)	192.00 (192.00)	85.15 (36.00)	373.15 (324.00)
2	Commission	70.00 (200.00)	90.00 (200.00)	- (-)	160.00 (400.00)
3	Contribution to Provident Fund	11.52 (10.92)	23.04 (21.60)	4.32 (4.20)	38.88 (36.72)
4	Perquisites:				
	(i) Residence				
	-Unfurnished	7.38 (-)	-	6.40(2.70)	13.78 (2.70)
	(ii) Medical Reimbursement	2.41 (0.07)	4.86 (0.55)	0.23 (0.49)	7.50 (1.11)
	(iii) Other benefits	1.27 (1.27)	1.58 (1.58)	0.71 (0.70)	3.56 (3.55)
	Total	188.58(308.26)	311.48 (415.73)	96.81(44.09)	596.87 (768.08)

Note: The value of perquisites shown above is as per the Income Tax provisions.

The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms. No amount has been written back/written off during the year in respect to due to/due from related parties.

Transactions with Related Parties are made on the terms equivalent to those that prevail in arm's length transactions.

The remuneration to the Key Managerial Personnels are in line with the service rules of the Company.

The aforementioned related party transactions have been approved by the Board in their respective meetings held during the year.

36.9 Segment Reporting: Information on the Segment Reporting for the year ended 31st March, 2021:

The company has identified three primary business segments viz. Sugar, Distillery and Power. Segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organizational structure and internal business reporting system as defined in Ind AS 108 – Operating Segments.

(Rs. in lakhs)

Particulars	Sugar		Distillery		Co-generation		Unallocable		Total	
	2021	2020	2021	2020	2021	2,020	2021	2020	2021	2020
Revenue										
Gross sales	48,296	53,161	5,364	4,926	3,575	4,738	-	-	57,235	62,825
Less: Inter segment sales	4,984	6,456	7	-	1,971	3,234			6,962	9,690
External sales	43,312	46,705	5,357	4,926	1,604	1,504	-	-	50,273	53,135
Add: Other income	382	1,007	62	48	8	4	-	78	452	1,137
Total revenue	43,694	47,712	5,419	4,974	1,612	1,508	-	78	50,725	54,272
Segment results	3,007	4,088	848	275	667	224	-	10	4,522	4,597
Less: Finance cost	1,084	1,764	15	22	-	-	-	1	1,099	1,787
Profit before tax	1,923	2,324	833	253	667	224	-	9	3,423	2,810
Current tax									636	515
Deferred tax									163	443
Profit after tax									2,624	1,852
Other information										
Segment assets	52,595	43,605	6,894	5,556	2,966	3,522	5	5	62,460	52,688
Segment liabilities	38,989	32,849	1,473	629	25	10	629	470	41,116	33,958
Capital Expenditure	1,172	572	140	1,643	2	33	-	-	1,314	2,248
Depreciation and amortisation	817	869	501	436	169	186	-	6	1,487	1,497

Notes forming part of Consolidated Financial Statement

*Capital expenditure includes fixed assets capitalized during the year and net increase/decrease in capital work-in-progress.

Inter-segment revenues are eliminated upon consolidation and reflected in the inter-segment sales column. Current taxes and deferred taxes are not allocated to individual segments as the same are dealt with at company level.

The transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.

Information about Secondary Geographical Segment: There is no secondary segment.

36.10 Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Rs. in lakhs)

Description	Carrying value		Fair value	
	As at	As at	As at	As at
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Financial assets				
FVOCI financial instruments:				
Unquoted equity shares	111.95	112.23	104.51	111.95
Quoted equity Shares	-	-	-	-
Fair Value through Statement of Profit & Loss				
Investment in Preference Shares	2705.78	2623.50	2262.16	2665.78
Guarantee	197.57	26.15	182.19	197.57
Fair Value of Assets through Other Comprehensive Income (OCI)				
Free hold Land	905.17	852.43	905.17	873.76
Total	3920.47	3614.31	3454.03	3849.06

(Rs. in lakhs)

Description	Carrying value		Fair Value	
	As at	As at	As at	As at
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Financial liabilities at amortized cost through statement of profit and loss				
Loan taken from Bank, Government and others				
Fixed rate borrowings	5793.97	6768.42	6213.06	6934.34
Floating rate borrowings	-	-	-	-
Total	5793.97	6768.42	6213.06	6934.34

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Notes forming part of Consolidated Financial Statement

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2021:

Description	Date of valuation	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value				
FVOCI financial instruments:				
Unquoted equity shares	31 st March, 2021	-	-	Yes
Preference Share	31 st March, 2021			Yes

36.11 Government Grant :

The Government of Uttar Pradesh has provided term loan under the Scheme for Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government at concessional rates during the financial year 2018-19 which has been recognised in the following manners:

Description	Amount in lakhs	Year to which relates	Treatment in accounts
Revenue related to Government Grant			
Financial Assistance from the State Government	Nil	2020-2021	Nil
Deferred Government Grant			
Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant)	379.70	2020-2021	A sum of Rs.179.75 lakhs considered for part of the year as government grant under Note-27. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan.

36.12 Disclosures related to Corporate Social Responsibility (CSR)

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1st April, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year ended on 31st March, 2021.

- (i) Gross amount required to be spent by the Company during the year Rs.59.50 lakhs (Previous year Rs.66.38 lakhs).
- (ii) Amount spent during the year ended 31st March, 2021

(Rs. in lakhs)

Particulars	Amount Paid	Amount yet to be Paid	Total
Construction/ Acquisition of any asset	-	-	-
On purposes other than above	256.34	-	256.34
Total	256.34	-	256.34

Amount spent during the year ended 31 March, 2020

(Rs. in lakhs)

Particulars	Amount Paid	Amount yet to be Paid	Total
Construction/ Acquisition of any asset	-	-	-
On purposes other than above	68.58	-	68.58
Total	68.58	-	68.58

Notes forming part of Consolidated Financial Statement

- 36.13** In view of the decision of Hon'ble Supreme Court, extra price and excise duty realized on levy sugar in earlier years amounting to Rs.67.11 lakhs for funding under the Sugar Price Equalization Fund Act, 1976 was transferred to Sugar Price Equalization Reserve Account. Later on as per the order dated 22.09.1993 of Hon'ble Supreme Court, a sum of Rs.17.90 lakhs was paid to the Government out of bank guarantee furnished by the Company and further, during the year 1998-99 a sum of Rs.1.00 lakhs were paid towards Excise Duty on the above. The Company has further made a payment of Rs.35.81 lakhs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lakhs thereon. Still a sum of Rs.12.40 lakhs is lying in the Sugar Price Equalization Reserve as on 31st March, 2021 shown under Note 15 of "Other equity".
- 36.14** Certain balances in account of trade receivables, advances, deposit accounts and trade payables are subject to reconciliation and confirmation by the respective parties. The management reviewed these advances from time to time, the required provisions have been considered in the accounts. The management is of the view that the realization from these assets in the ordinary course of business would not be less than the amount at which they are stated in the books of account.
- 36.15** Other non-current liabilities (Note No.19) includes a loan from U.P. Government amounting to Rs.14.50 lakhs. The issue relating to interest payable thereon is under dispute and the matter is sub-judice before the Hon'ble Allahabad High Court. However, as per the interim order of the Court, a fixed deposit of Rs.14.50 lakhs has been kept with the District Magistrate, Ayodhya. In opinion of the management, the amount of interest accrued on this fixed deposit is adequate to meet the interest obligation liability of the Company on the said loan and therefore, no interest is being provided for in these financial statements.
- 36.16** As per Bihar State Government directions, the operations of country liquor bottling unit remain discontinued during the year. However, the plant and machinery of that unit has been moved to the Distillery Unit for manufacturing of country liquor. Thus, depreciation due to obsolescence has been provided on building amounting to Rs.12.19 lakhs in the current year. (Previous year: Rs. 61.17 lakhs).
- 36.17** The Company had set up a cogeneration power plant of 25 MW at factory premises in the financial year 2006-07. This plant qualifies under Section 80IA of the Income Tax Act, 1961 for deduction of its entire profits 10 consecutive years out of first 15 years. The Company has opted the financial year 2011-12 as the first year of deduction but it could not claim deduction till financial year 2016-17 due to brought forwarded losses. The Company has claimed this deduction first time in financial year 2017-18, the current financial year is the last year of this deduction.
- 36.18** Since, the sugar industry is a seasonal industry; the cost of production of sugar is worked out on annualized basis considering prime cost, factory overhead and administrative overhead closely related to manufacturing of output.
- 36.19** The Company has a subsidiary company namely K M Spirits and Allied Industries Ltd. Sonar Casting Limited ceased to be subsidiary w.e.f. 25.12.2019 and therefore, the previous year's figures have been restated in the above results to exclude the impact of consolidation of results of Sonar Casting Limited included therein.
- 36.20** The management is of the view that dividend payment is most probable to receive from the investments in the preference shares amounting to Rs.338.92 lakhs in K. M. Energy (P) Ltd., and Rs.385.00 lakhs in Brahma Properties (P) Ltd. considering dividend at 9% and Rs.40.00 lakhs in preference shares of Sonar Casting Ltd. considering dividend at 12% and this fact has been taken into account while determining the fair value of these investments. .
- 36.21** The Central Government pursuant to Notification No. 1(8)/2019-SP-I dated 31st July, 2019 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) announced a scheme for creation and maintenance of buffer stock of 40 lakh MT of sugar by the sugar mills in the country for one year w.e.f. 1st August, 2019 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers. The Company was allotted 164740 quintals of buffer stock. Accordingly Rs.172.74 lakhs (Previous year Rs.351.52 lakhs) has been adjusted as reduction in finance cost. Further, storage charges amounting to Rs.24.65 lakhs (Previous year Rs.50.79 lakhs) shown as line item "Insurance and storage charges on buffer stock" under Revenue from operations.
- 36.22** The Central Government pursuant to Notification No. 1(14)/2019-SP-I dated 12th September, 2019 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for assistance to sugar mills to facilitate export of sugar during sugar season 2019-20 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues for sugar season 2019-20.
- Pursuant to above notification, the Central Government pursuant to Notification No. 1(14)/2019-SP-I dated 16th September, 2019 and subsequent notifications issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) allocated factory wise Maximum Admissible Export Quota (MAEQ). The Company was allocated total MAEQ of 31537 MT as per the said notification. The Company has exported 9121 MT (Previous year 22416 MT) own manufactured/sourced from other mill raw/white sugar directly and through merchant exporter. The assistance receivable against such MAEQ sugar of Rs.843.60 lakhs (Previous year Rs.2342.02 lakhs) and has been shown as line item "Assistance on sugar quota export" under Revenue from operations.

Notes forming part of Consolidated Financial Statement

36.23 The Central Government pursuant to Notification No. 1(6)/2020-SP-I dated 29th December, 2020 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for assistance to sugar mills to facilitate export of sugar during sugar season 2020-21 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues for sugar season 2020-21.

Pursuant to above notification, the Central Government pursuant to Notification No. 1(6)/2020-SP-I dated 31st December, 2020 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) allocated factory wise Maximum Admissible Export Quota (MAEQ). The Company was allocated MAEQ of 23765 MT as per the said notification. The Company got exported 18640 MT sugar through merchant exporter. The assistance receivable against such MAEQ sugar of Rs.1118.40 lakhs and has been shown as line item "Assistance on sugar quota export" under Revenue from operations and export facilitation charges payable to merchant exporter amounting to Rs.549.88 lakhs has been shown as line item MAEQ/MIEQ expenses under other expenses.

36.24 The Central Government pursuant to Notification No. 1(14)/2019-SP-I dated 2nd March, 2019 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for extending soft loan to sugar mills with a view to facilitate payment of cane price dues for sugar season 2018-19 relating the Fair and Remunerative Price (FRP) of sugar cane fixed by Central Government. The Company has availed soft loan of Rs.3694.00 lakhs from banks during the previous year and was eligible for 7% interest subvention for one year. Accordingly, a sum of Rs.6.37 lakhs (Previous year Rs.252.91 lakhs) has been adjusted with interest on term loan.

36.25 Imported and Indigenous Raw Materials, Packing Materials and Stores and Spares consumed

(Rs. in lakhs)

Description	31st March, 2021		31st March, 2020	
	% of total consumption	Amount	% of total consumption	Amount
Raw Materials				
Imported	-	-	-	-
Indigenous	100%	43932.87	100%	37758.49
Stores and packing material				
Imported	-	-	-	-
Indigenous	100%	1218.63	100%	825.54

36.26 Income in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2021	31st March, 2020
Export sale	2415.48	1598.78

36.27 Expenditure in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2021	31st March, 2020
Travelling	8.02	90.20
Others	61.31	72.90

36.28 The company has taken SBI SEFASU Loan from Government amounting to Rs.4775.94 lakhs bearing 5% Interest rate. Fair value of loan has been determined using discount rate 10.50% as the bank's fund is available at this rate and difference between actual amount and present value is amortised over the loan tenure and same has been considered as deferred government grant.

Notes forming part of Consolidated Financial Statement

36.29 Components of Other Comprehensive Income

The disaggregation of changes to OCI in equity is shown below:

During the Year ended 31st March, 2021

(Rs. in lakhs)

Description	Comprehensive Income (Net of Tax)	Retained earnings	Total
Gain/(loss) on FVTOCI financial assets	(5.55)	-	(5.55)
Re-measurement gain/(loss) on defined benefit plans	(7.43)	-	(7.43)
Retained earning	-	2624.22	2624.22
Total	(12.98)	2624.22	2611.24

During the Year ended 31st March, 2020

(Rs. in lakhs)

Description	Comprehensive Income (Net of Tax)	Retained earnings	Total
Gain/(loss) arising on fair valuation of Asset	16.37	-	16.37
Gain/(loss) on FVTOCI financial assets	(0.39)	-	(0.39)
Re-measurement gain/(loss) on defined benefit plans	(26.24)	-	(26.24)
Retained earning	-	1852.60	1852.60
Total	(10.26)	1852.60	1842.34

36.30 COVID 19

COVID 19 outbreak and resultant lockdown imposed by the Government caused disruption of supply chain across businesses in India. However, timely steps taken by the Government has ensured smooth crushing operations of sugar mills in Uttar Pradesh including the factories of the Company.

It is estimated that the lock-down impacted the overall domestic sugar demand & consumption by more than a million ton leading to pressure on the selling price of sugar in future. However the already initiated measures of the Government to support the industry such as fixing of minimum selling price for sugar, regulating domestic sale by way of monthly release mechanism and incentivising export of sugar under MAEQ are continuing. The other main products manufactured by the Company i.e. ethanol and power are also not expected to be too materially impacted.

Based on the aforesaid, the management concludes that no material uncertainty exists in the Company's ability to continue as a going concern and accordingly the management has prepared these financial statements on a going concern basis. Further, the management has also performed an impairment test considering the impact of COVID-19 on the carrying amount of the assets which has resulted in no significant impairment. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

36.31 As per Section 115BAA of the Income Tax Act, 1961, the domestic companies have option to pay corporate income tax @ 22% plus applicable surcharge and cess (New Tax Rate) subject to certain conditions w.e.f. financial year commencing from April 1, 2019 and thereafter. The company has opted to continue with the old tax structure for this year and may opt the new tax rate from the next financial year. Accordingly, the deferred tax liability has been re-measured and thereby charge on account of this for the year ended 31st March, 2021 is lower by Rs. 346.96 lakhs.

36.32 Effective from 1st April, 2019, UPERC, vide tariff order dated July 25, 2019, has reduced the tariff of power sold to Power Corporation. Accordingly the Company has accounted power sale at the reduced tariff notified by UPERC. The matter is challenged through UP Co-Gen Association before the appropriate forum and matter is sub-judice.

36.33 Events occurring after the balance sheet date:

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorization of financial statements.

Notes forming part of Consolidated Financial Statement

36.34 Additional information as required under Schedule III of Companies Act 2013 :

For the Year ended on 31st March, 2021

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprise consolidated as Subsidiary

Name of Enterprise	Net Assets/ (Total Assets minus Total Liabilities)		Share in Profit or loss		Share in Other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent						
K M Sugar Mills Limited	99.98%	21,344.06	100.00%	2,624.12	100.00%	(12.98)
Subsidiary						
(Indian)						
KM Spirits and Allied Industries Ltd.	0.02%	4.77	0.00%	0.10	0.00%	-
	100.00%	21,348.83	100.00%	2,624.22	100.00%	(12.98)
i. Non controlling interest				-		-
ii. Adjustments arising on account of consolidation		(5.00)		-		-
Total		21,343.83		2,624.22		(12.98)

For the Year ended on 31st March, 2020

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprise consolidated as Subsidiary:

Name of Enterprise	Net Assets/ (Total Assets minus Total Liabilities)		Share in Profit or loss		Share in Other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent						
K M Sugar Mills Limited	99.98%	18,729.58	100.00%	1,843.15	100.00%	(10.26)
Subsidiary						
(Indian)						
KM Spirits and Allied Industries Ltd.	0.02%	4.67	0.00%	0.02	0.00%	-
	100.00%	18,734.25	100.00%	1,843.17	100.00%	(10.26)
i. Non controlling interest				-		-
ii. Adjustments arising on account of consolidation		(5.00)		9.43		-
Total		18,729.25		1,852.60		(10.26)

Notes forming part of Consolidated Financial Statement

36.35 The previous year's figures have been regrouped, reclassified, reworked and rearranged wherever necessary to correspond with the current year classification/disclosures. Amounts and other disclosures for the preceding period are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

For Agiwal & Associates

Chartered Accountants
F.R. No 000181N

CA P. C. Agiwal

Partner
M. No.080475

Place : New Delhi

Date : 8th June, 2021

For and on behalf of Board of Directors

S. C. Agarwal

Executive Director
DIN-02461954

A. K. Gupta

Chief Financial Officer

Place : Lucknow

Date : 8th June, 2021

Aditya Jhunjunwala

Managing Director
DIN-01686189

Pooja Dua

Company Secretary
M. No. A50996

K. M. SUGAR MILLS LIMITED

Regd. Office: 11 MOTI BHAWAN COLLECTOR GANJ,

KANPUR, Uttar Pradesh-208001

CIN: L15421UP1971PLC003492;

Website: www.kmsugar.com

Phone: 0512-2310762 ; 0522-4079561; E-mail: cs@kmsugar.in

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 48th Annual General Meeting of the K. M. Sugar Mills Ltd. will be held **through Video Conference / Other Audio Visual Means**, on Wednesday, the 29th day of September, 2021 at 11:00 a.m. transact the following business:

ORDINARY BUSINESSES:

1. To consider and adopt the standalone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors and, to consider and pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the standalone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors thereon laid before the 48th Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

2. To appoint a director in place of Shri Lakshmi Kant Dwarkadas Jhunjunwala, who retires by rotation and being eligible, offers himself for re-appointment and, to consider and pass, the following resolution as a Special Resolution (refer note 1 of the explanatory statement):

"RESOLVED THAT, Shri Lakshmi Kant Dwarkadas Jhunjunwala (DIN- 01854647) who retires by rotation under Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 48th Annual General Meeting of the members of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation.

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things as may be required including to delegate and to settle any question, difficulty or doubt, that may

arise and to sign and execute all documents or writings as may be deemed necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

3. To appoint a director in place of Shri Aditya Jhunjunwala, who retires by rotation and being eligible, offers himself for re-appointment and, to consider and pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, Shri Aditya Jhunjunwala (DIN-01686189) who retires by rotation under Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 48th Annual General Meeting of the members of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things as may be required including to delegate and to settle any question, difficulty or doubt, that may arise and to sign and execute all documents or writings as may be deemed necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

SPECIAL BUSINESS: -

4. To approve the remuneration of Cost Auditor appointed for the financial year 2021-22 and to consider and if thought fit to pass, the following resolution as an Ordinary Resolution: -

"RESOLVED THAT, in accordance with the Provisions of section 148 and other applicable provisions if any of the Companies Act, 2013 and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, appointed as the Cost Auditor to conduct audit of Cost records maintained by the Company, at the remuneration approved by the Board of Directors on the recommendation on the Audit Committee plus goods and services tax, as applicable, and reimbursement of out-of-pocket expenses incurred for the financial year 2021-22 be and is hereby ratified."

5. To approve the grant of loan, guarantee, security or make investments in entities covered under the provisions of Section 185(2)

and related parties of the Company and to consider and if thought fit to pass, the following resolution as the Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 185 & 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), memorandum and articles of association and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to grant loan, guarantee, security or make investments by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments in entities covered under the provisions of Section 185(2) and related parties of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations of such sums not exceeding Rs.100 Crores, as may be decided by Board/ Committee of Directors as permitted or subject to the provisions specified therein from time to time.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to approve, decide, vary or modify the terms and conditions applicable for the aforesaid loan, Investment , Corporate Guarantee, Security and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient including to delegate or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise and to do all things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By order of the Board
For K. M. Sugar Mills Ltd.**

Place: Lucknow
Dated: 10.08.2021

**Company Secretary
Pooja Dua**

Notes:

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January, 2021 (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
- 2) In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company has engaged the services of Link Intime (India) Private Limited (LIPL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM (“remote e-voting”) is also provided by LIPL.
- 3) VC/OAVM facility provided by the Company, is having a capacity to allow 1000 members to participate at the Meeting on a first come- first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, CSR Committee, Auditors etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle.
- 4) Company is providing two way teleconferencing facility for the ease of participation of the members. The instructions for members attending/ participating in the AGM through VC/ OAVM are provided at point no. 19.
- 5) The facility for joining the AGM through VC/OAVM shall be open at least 15 minutes before the time scheduled to start the Meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
- 6) In compliance with the aforesaid MCA Circulars and SEBI Circulars, electronic copy of the Annual Report for the financial year 2020-21 and Notice of the 48th AGM of the Company, inter alia, indicating the process and manner of e-voting will be sent only through electronic mode to all the Members whose e-mail IDs are registered with the Company’s Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes, as the requirement of sending the hard copies of annual report and notice of AGM has been dispensed with. Members may note that the Notice and Annual Report will also be available on the Company’s website www.kmsugar.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
- 7) Pursuant to the provisions the Act, a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a Member of the Company. Since the 48th 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 the 48th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- 8) Institutional/Corporate Members intending to attend the Meeting are required to send a scan of certified copy of the Board Resolution (JPG/PDF format), pursuant to Section 113 of the Act, 2013, authorizing their representative to attend the Meeting through VC/OAVM on its behalf and vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address pragatics@gmail.com. Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of Meeting for the purpose of recording of the minutes of the proceedings of this AGM.
 - 9) Members having any queries related to accounts and operations or any other matter to be placed at the AGM of the Company, may write to the Company through an email on cs@kmsugar.in at least seven working days in advance of the Meeting. The same will be replied by the Company suitably.
 - 10) Members are requested to contact the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Private Limited (LIPL) Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 (Phone No.: +91-11-41410592; Fax No.: +91-11-41410591; Email: delhi@linkintime.co.in) for reply to their queries/redressal of complaints, if any, or contact Ms. Pooja Dua, Company Secretary at the Corporate Office of the Company (Phone No.: +91-522-4079561; Email: cs@kmsugar.in).
- 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, to their DPs in case shares are held in electronic form or to Company's RTA i.e. LIPL in case shares are held in physical form.
- 11) As per Regulation 40 of the SEBI Listing Regulations, as amended, the securities of the listed company cannot be transferred in physical mode w.e.f. April 01, 2019, except in case of request received for transposition or transmission of securities. In view of this, Members holding shares in physical form are requested to get their shares dematerialized at the earliest. Members can contact the Company or the Company's RTA i.e. LIPL for assistance in this regard.
 - 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA i.e. LIPL.
 - 13) In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their

email addresses with their DPs in case shares are held by them in electronic form and with the Company's RTA i.e. LIPL in case shares are held by them in physical form for receiving all communication including annual report, notices, circulars etc. from the Company electronically.

- 14) Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
- 15) Since the AGM will be conducted through VC / OAVM, the Route Map is not annexed to this Notice.
- 16) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, 2013 read with Rules issued thereunder will be made available electronically for inspection by the Members during the Meeting. All documents referred to in the Notice will also be available for electronic inspection from the date of circulation of this Notice up to the date of AGM. Also, the Notice for this 48th AGM along with requisite documents and the Annual Report for the financial year 2020-21 shall also be available on the Company's website www.kmsugar.com. Further, the notice received, if any, under Section 160 of the Companies Act, 2013 will be put up on the website of the Company up to the date of the Meeting. Members seeking to inspect such Documents can send an email to cs@kmsugar.in.
- 17) The remote e-voting facility will be available during the following voting period:
 - i. Commencement of remote e-voting: From 9.00 a.m. IST of Sunday, September 26, 2021.
 - ii. End of remote e-voting: Up to 5.00 p.m. IST of Tuesday, September 28, 2021.
- 18) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 22, 2021 may cast their vote through remote e-voting. The remote e-voting module shall be disabled by LIPL for voting thereafter and the facility will be blocked forthwith. Further, Register of member and share transfer books of the company will remain closed from Thursday, 23rd September, 2021 to Wednesday, 29th September, 2021 (both days Inclusive).

19) Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Individual Shareholder holding securities in demat mode with NSDL

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.
- After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL

- Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
- After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

Individual Shareholders (holding securities in demat mode) & login through their depository participants

- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.
- Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
 - A. User 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 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).
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.

20) 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)

21) 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 their request 3 days in advance with the company on the specific email id created for the general meeting.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

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.

22) 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.

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.

Place: Lucknow
Dated: 10-08-2021

**By the Order of the Board
For K. M. Sugar Mills Ltd.
-Sd/-
Pooja Dua
Company Secretary**

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
and 17(11) of SEBI (LODR) (AMENDMENT) REGULATIONS, 2018

Item No. 2

Shri Lakshmi Kant Dwarkadas Jhunjhunwala, who was appointed as a Executive Chairman of the Company for the period of five years at 46th Annual General Meeting held on 20th August, 2019, retires by rotation under Section 152 and other applicable provisions, if any, of the Act and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 48th Annual General Meeting of the members of the Company, and being eligible, has offered himself for re-appointment. The Board has recommended for his re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation.

In terms of the provisions of proviso to Section 196(3) read with Part I of Schedule V of the Companies Act, 2013, the approval of the shareholders by way of special resolution was obtained for his appointment as way beyond the age limit of seventy years. Now, he is retiring by rotation at ensuing AGM and has offered himself for re-appointment. As a Good Governance the consent of shareholders is being sought by way of special resolution as against an Ordinary resolution.

The Board recommends resolution set out in item no. 2 of the notice for approval of the members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except he himself and Mr. Aditya Jhunjhunwala, Managing Director & Mr. Sanjay Jhunjhunwala, Joint Managing Director are concerned or interested financially or otherwise in this resolution.

Item no. 4

The Board of Directors approved the appointment of M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, as a Cost Auditor of the Company for conducting cost audit for the financial year 2021-22 in the meeting held on June 08, 2021 at the remuneration of Rs.35000/- plus goods and services tax, as applicable, and reimbursement of out-of-pocket expenses, in line with the recommendation of the Audit Committee. Pursuant the provision of section 148 other applicable provisions if any of the Companies Act, 2013 and rule made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

The Board recommends resolution set out in item no. 4 of the notice for approval and ratification to the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in this resolution.

Item no. 5

In terms of long term strategic and business objectives the Company is required to provide loans, guarantees, security or make investment in entities, subsidiary companies, associates, joint ventures and related parties of the Company in which directors of the Company are interested. These loans, guarantees, security & investment are subject to overall limit approved by shareholders of the Company in terms of the provisions of Section 186(3) of the Companies Act, 2013. In terms of the provisions of Section 185(2) grant of loans, guarantee or security to such entities require the approval of the shareholders of the Company by way of Special Resolution. Further the above transaction also requires the approval of the shareholders in terms of the provisions of section 188 of the Companies Act, 2013, rules made thereunder and regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015').

The Board of Directors of the Company shall be authorized to decide the quantum of loan, guarantee, security or investment in entities covered under the provisions of Section 185(2) and related parties of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, within overall limit of Rs. 100 crores from time to time.

The Company's subsidiary(ies) / associates / JV Companies, related parties explore various options to raise funds through loan / issuance of debentures / bonds etc.. The proceeds raised by such entities would be utilized for their principal business activities.

Accordingly the approval of the members of the Company is sought by way of special resolution to grant loan, guarantee, security or make investments by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments in entities covered under the provisions of Section 185(2) and related parties of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations of such sums not exceeding Rs.100 Crores, as may be decided by Board/Committee of Directors as permitted or subject to the provisions specified therein from time to time.

Disclosure in terms of the provisions of Section 185(2) of the Companies Act, 2013:

- a) Particulars of Loan, guarantee or security proposed to be given:
 - i. Loan amount: The Board of Directors of the Company would carefully evaluate proposals and grant loan, guarantee, security or make investments, from time to time within overall limit of Rs. 100 crores;
 - ii. Interest rate: The interest rate on the loan shall be decided by

the Board after carefully evaluation of the proposal, however in situation shall be at rate less than as prescribed under the provisions of section 186(7) of the Companies Act, 2013 & rules made thereunder;

iii. Tenure: The tenure of the loan shall be decided by the Board after carefully evaluation of the proposal, however in no situation shall be exceeding ten years;

iv. Security: Secured or unsecured as decided by the Board after carefully evaluation of the proposal;

b) Permitted utilization: Principal business activities of borrowing company.

The Board of Directors Recommend the Special Resolution for approval by the members. In terms of the provisions of regulation 23, all entities falling under the definition of related parties shall not vote to approve this item irrespective of whether the entity is a party to the particular transaction or not.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

**By the Order of the Board
For K. M. Sugar Mills Ltd.
-Sd/-
Pooja Dua
Company Secretary**

Place: Lucknow
Dated: 10-08-2021

Appendix -A

The details of the Directors liable to retire by rotation and seek re-appointment: -

Sr. No.	Name of the Director	Qualification	Directorship of Other Companies	Committee position held in other companies	Professional / expertise	Nos. of shares held Relationship between directors interse
1	Mr. L.K Jhunhunwala (DIN-01854647)	B.A	1)Awadh Technology Park and Services Private Limited 2)Marvel Business Pvt Ltd 3)Jhunhunwala Securities Pvt.Ltd. 4)Satyam Trade Centre Pvt Ltd 5)Nidhi Financial Services Pvt Ltd 6)Shailja Properties Private Limited 7) UP Angel Network Association	1) FICCI-UP-Chairman. 2) PHD Chamber of Commerce. 3) ISMA,Member.	Has vast experience of Sugar Technology and leadership skills in heading the Company	14302600 Nos. of Equity shares Related with Shri Sanjay Jhunhunwala and Shri Aditya Jhunhunwala
2	Mr. Aditya Jhunhunwala (DIN-01686189)	B.Com	1)KM Spirits and Allied Industries Limited 2)Pharmetro Life Sciences Private Limited 3)Sonar Casting Limited 4)K M Plantations Private Limited 5)Shri Shakti Credits Limited 6)Marvel Business Pvt Ltd 7)Avantika Tradelink Private Limited 8)Brilliant Barter Private Limited 9)Francoise Commerce Pvt Ltd 10) Jhunhunwala Securities Pvt.Ltd. 11)Zar International Private Limited 12)H H Foundation 13)Indian Sugar Exim Corporation Ltd. 14) Nidhi Financial Services Pvt Ltd	Audit Committee in Sonar Casting Ltd	Has vast experience in Finance and Taxation and operational management of sugar industry	4839242 Nos. of Equity shares Related with Shri Sanjay Jhunhunwala and Shri L.K Jhunhunwala



K.M. Sugar Mills Limited

Registered Office:

11, Moti Bhawan, Collectorganj, Kanpur - 208 001 U.P. (India)
Tel. No.: (0512) 2310762, Fax No.: (0512) 2310762

Corporate Office and Works:

Post Office Moti Nagar, District Faizabad-224 201 U.P. (India)
Tel. No.: (05278) 254 059, 254 173, Fax No.: (05278) 254 031
Email : cs@kmsugar.com Website : www.kmsugar.com