



# EVOLVE

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### 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.



## **KM Sugar Mills is a great story of metamorphosis.**

It has evolved over time from just a manufacturer of sugar to a multi-faceted company producing sugar, ethanol and all its allied products with maximum competence.







## VISION

Ensure raw materials security and better living conditions for cane growers and develop sugar, renewable energy and by-product businesses for sustainable growth and harmonized living between communities, society and nation with responsibility for all stakeholders.



## MISSION

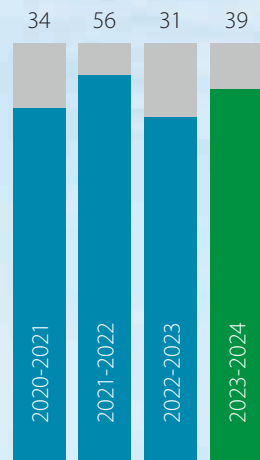
- Excellence in management and quality control of sugarcane production, sugar products and all by products with maximum efficiency.
- Encourage the sugarcane farmers in the area to have high productivity and good quality yields with the principle, care and responsible guidance for the farmers.
- Develop 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.



## HIGHLIGHTS



PBT  
(in Cr.)



TURNOVER  
(in Cr.)





# OUR VISITING CARD

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 and ethanol.

## Products

The Company is manufacturing sugar, ethanol and related products.

## Plants

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

## Sugar division

The Sugar Division of the company has a crushing capacity of 9500 Tonnes per day and produces white crystal sugar for domestic consumption and export purpose.

## Distillery division

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

- Rectified spirit
- Ethanol
- Other Related Products

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 (30 KLPD) 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.

## Presence

The Company is listed on the National Stock Exchange and Bombay Stock Exchange. As on 31st March 2024 our company enjoys Market Capitalisation in BSE is 1844 and in NSE is 1633.

## Corporate social responsibility

Corporate social responsibility (CSR) is the idea that businesses should operate according to principles and policies that make a positive impact on society and the environment.











CSR is an immense term that is used to explain the efforts of a company in order to improve society in a significant manner. CSR improves the public image by publicising the efforts towards a better society and increasing their chance of becoming favourable in the eyes of consumers. CSR increases media coverage as media visibility throws a positive light on the organisation. CSR enhances the company's brand value by building a socially strong relationship with customers. With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies.



## 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 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 he 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.



**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 the chair, the thriving chapter team, the Regional Director of the Entrepreneur Organisation of Uttar Pradesh.



**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 is BED from Lucknow University and B.Com (H) from Loreto College Darjelling. Mrs. Madhu Mathur has a vast experience of working with UNO and expert in Social Service.

**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.

**Mr. BAKSHI RAM****Independent Director**

Shri Bakshi Ram is Ph.D. (Agri.) (1996) from CCS, Haryana Agricultural University, Hisar and was the topper of the batch, M.Sc. (Agri.) (1983) from Haryana Agricultural University, Hisar, was awarded Dr. Ram Dhan Singh Gold Medal, for being the topper of the batch and B.Sc. (Hons.) Agri. (1981) Haryana Agricultural University, Hisar and was awarded Merit Gold Medal for being the topper of the programme. He has an overall experience of more than 38 years.

**MRS. ARCHNA AGARWAL****Add. Independent Director**

Smt. Archana Agarwal is Graduate from Avadh University Faizabad, Uttar Pradesh. She has been working in various companies as promoter and help them to grow and achieve milestone.

**MR. NARENDRA MOHAN****Add. Independent Director**

Shri Narendra Mohan, has an exemplary career in the sugar industry spanning about four decades including eleven years as Director, National Sugar Institute, Kanpur, India, a premier institute of Government of India which was established in 1936. He did his post graduate studies in Sugar Technology from National Sugar Institute and later on was conferred Fellowship as well. He has also been an inspiring teacher, admirable research worker and an esteemed government official having a long and distinguished career of working in sugar industry and at the institute. An author of 7 books, more than 200 papers been published in various reputed journals, many book chapters and patents to his credit, indicates his passion for academic & research work.

# COMPANY INFORMATION

## BOARD OF DIRECTORS

### Chairman

Shri L. K. Jhunjhunwala

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### Whole Time Director

Shri Aditya Jhunjhunwala, Managing Director

Shri Sanjay Jhunjhunwala, Joint Managing Director

Shri Subhash Chandra Agarwal, Executive Director-cum-CEO

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### Non Executive and Independent Director

Shri S. K. Gupta

Smt. Madhu Mathur

Dr. Sushil Solomon

Shri Bibhas Kumar Srivastav

Shri Bakshi Ram

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### Non Executive and Add. Independent Director

Smt. Archana Agarwal

Shri Narendra Mohan

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### Chief Financial Officer

Shri Arvind Kumar Gupta

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### Company Secretary

Ms. Pooja Dua

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### Auditors

M/S. Mehrotra & Mehrotra

Chartered Accountants,

90, Okhla Industrial estate, Phase III

New Delhi - 110 020

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### Bankers

State Bank of India

Punjab National Bank

HDFC Bank Ltd

Yes Bank Ltd

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### Registered Office

11, Moti Bhawan, Collectorganj,

Kanpur - 208001 U. P.

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### Corporate Office & Works

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





# DIRECTOR'S REPORT

To,  
The Members,

Your directors have pleasure in placing the 51st Director's Report along with the Audited Statement of Accounts for the year ended on 31st March, 2024 .

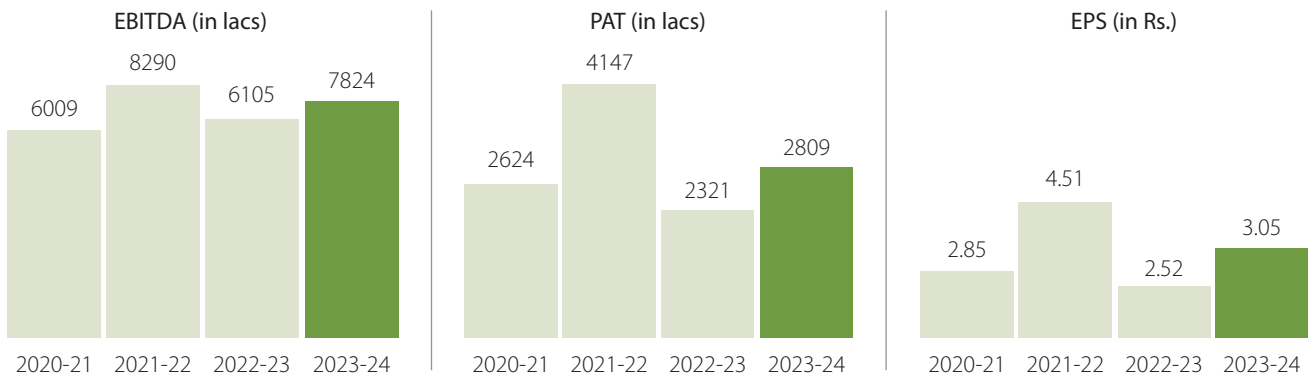
## Financial Performance

The Financial performance of the Company for the year ended 31st March 2024 are as under:

(Rs. in Lakhs)

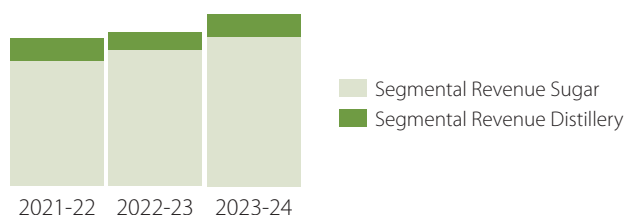
	Standalone		Consolidated	
	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023
Profit before finance costs, depreciation and amortization and other comprehensive income	7824	6105	7824	6105
Less: Finance costs	1654	1385	1654	1385
Less: Depreciation and amortization expense	2259	1587	2259	1587
Profit before tax	3911	3133	3911	3133
Less: Tax expense	1102	812	1102	812
Profit for the year	2809	2321	2809	2321
Other comprehensive income (net of tax)	(17)	(28)	(17)	(28)
Total comprehensive income for the year	2792	2293	2792	2293
Earnings per equity share of Rs. 2/- each	3.05	2.52	3.05	2.52

## Our Financial Highlights

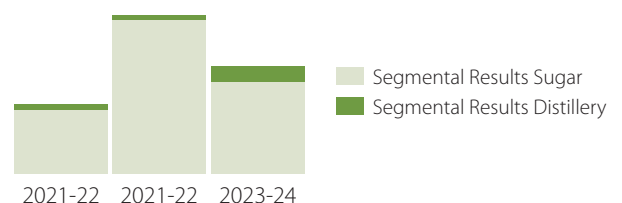


## Segmental Performance in FY 2023-24

### Segment Revenue ( in Lakhs)



### Segment Results



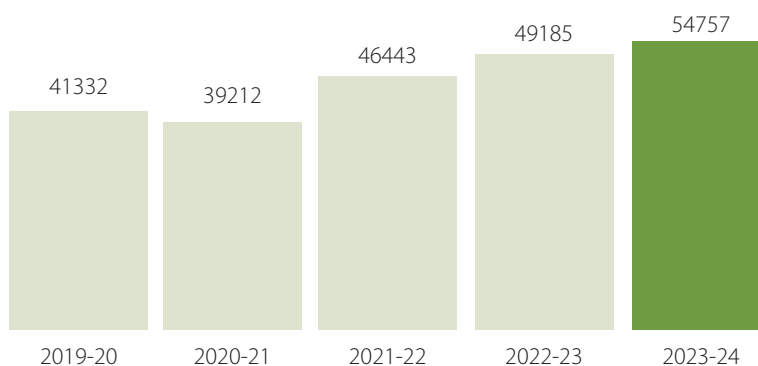
**Dividend: -**

The Board of Directors have not recommended dividend for the financial year ended 31st March, 2024 in view of future deployment of funds for furtherance of business.

**Performance of Segment: -****Sugar:**

The company has crushed 135.93 Lacs quintals of cane and the Sugar sale was Rs.54757 lacs during the year under review as against Rs.49185 lacs during the previous financial year. The other details are as under:

	Year ended 31-03-2024	Year ended 31-03-2023
Gross Working days	164	138
Total Cane Crushed (qtls.)	13593416	1,10,18,947
Sugar Produced (qtls)	1542969	11,91,250
Average Recovery	11.30%	10.87%

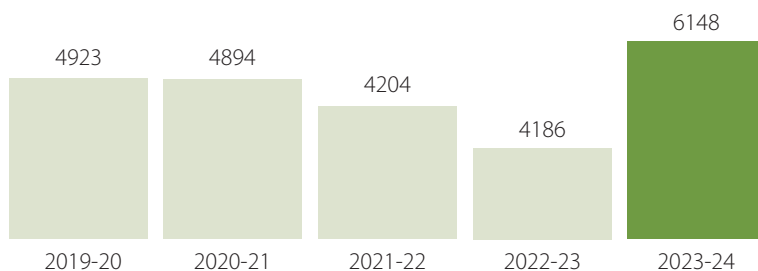
**Sugar Sales (In lacs)****Distillery:**

During the year under report, Company Produced 121.80 Lacs BL of Rectified Spirit and 116.33 Lacs BL of ethanol. The other details are as under:

	Year ended 31-03-2024	Year ended 31-03-2023
Sales (Rs. in lacs)	6148	4186
Sales( BL in lacs)	89.51	87.00
Recovery Rate	23.55	22.58

**Country Liquor**

Production (In Lacs Cases)	461859	479852
Sale(In Lacs Cases)	464162	469704

**Alcohol Sale (in lacs)**



### Statutory Auditors

M/s. Mehrotra & Mehrotra., Chartered Accountants (FRN.), were appointed as the Statutory Auditors of the company at the 49th AGM held on September 29, 2022 for a term of 5 (Five) consecutive years to hold the office from the conclusion of the 49th AGM till the conclusion of 54th AGM after completing their terms of 5 years.

The Auditor's Report for the financial year ended March 31, 2024, does not contain any qualification, reservation or adverse remark. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The report is enclosed with the financial statements in this annual report.

### Secretarial Auditors

Ms. Pragati Gupta, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company for the year 2023-24 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit report and Annual Certificate on Compliance with the conditions of Corporate Governance Report for FY 2023-24 forms part of the Annual Report as annexed in **Annexure-7** to this report and carries no qualifications, reservations, adverse remarks or disclaimers, which is self-explanatory and hence no explanations are required.

### Cost Auditors

Your Board, as recommended by the Audit Committee, appointed M/s. Aman Malviya & Company, Cost Accountant, Lucknow, as a Cost Auditor for Sugar and Industrial Alcohol businesses for the financial year 2023-24. 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, 2025.

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, 2023 did not contain any qualification, reservation, adverse remark or disclaimer. The Cost Audit Report for the year end March 31, 2024 shall be made available by the Cost Auditor on or before 30th September, 2024.

### Public Deposits

During the financial year ended March 31, 2024 the company has not accepted any public deposits.

### MSME RETURN

MCA vide order dated 22nd January, 2019 directed all companies, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days during the year. The Company has filed MSME within prescribed time.

### 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 FY 2023-24 had been duly paid.

### Credit Rating

Infomercials Valuation and Rating Pvt Ltd, a credit rating agency has reaffirmed the credit rating as IVRA-

### 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, 2024, 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: <https://www.kmsugar.com/policies-of-kmsml/#whistle-blower-policy-vigil-mechanism>.

### **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.

### **Share Capital: -**

The Paid-Up share equity Capital of the company as at March 31, 2024 is Rs.18.40 Crores. During the year under review the company has not issued shares or convertible securities not granted stock option or sweat equity shares.

### **Annual Return**

Pursant to the provisions of section 92(3) and 134(3) of the Act and Companies (Management and Administration) Rules, 2014, the Annual Return of the company in Form No. MGT-7 can be accessed on the website of the company at <https://www.kmsugar.com/other-compliances/#1685707454799-c109839a-8742>

### **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.

Risk Management Policy as per regulation 21 of the SEBI Listing Regulations is applicable on the top 1000 entity the basics of market capitalization, therefore the same is not applicable on the company during the reporting period.

### **Corporate Social Responsibility**

KMSML has adopted CSR since its inception. The activities are undertaken or supported by the Company and also through trust

engaged in promoting health care, preventive health check-ups etc projects. 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, the activities, 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 Rs129.05 lacs which is Excess CSR Expenditure available for Carry Forward for succeeding three years. The Board approved CSR obligation was Rs. 89.05 lacs has been set off against the Excess CSR Expenditure carried forward for FY 21-22. 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. A detailed Annual Report on CSR Activities undertaken by the company during the reporting period as prescribed under Companies (Corporate Social Responsibility) Amendment Rules, 2021 is annexed herewith in **Annexure-3**.

### **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-8** 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-4** 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 wholly owned 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. However the said subsidiary is yet to commence the operations. 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-5**. 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 website at <https://www.kmsugar.com/policies-of-kmsml/#policy-for-determining-material-subsi-dary>. 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, 2024.

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 four times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this

Annual Report as **Annexure-2**. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Policy On Directors' Appointment And Remuneration Including Criteria For Determining Qualifications, Positive Attributes, Independence Of A Director, Key Managerial Personnel And Other Employees.

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 9 directors, one of whom is executive Chairman, one is Managing Director, one is Joint Managing Director, one Executive Director and five 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.

Policy on Directors appointment and remuneration is available on company's website at <https://www.kmsugar.com/policies-of-kmsml/#policy-on-selection-remuneration-of-directors-kmp-and-other-employees>

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-8** of this Board Report

### Induction & Changes in Directors

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

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

Smt. Archana Agarwal and Shri Narendra Mohan was appointed as Additional Independent Director (Non-Executive) in the Board meeting of the company held on 21st May, 2024 and 29th June, 2024 respectively. The Board has also recommended the appointment of Shri. Sushil Solomon for the second term of five consecutive year in the Board meeting held on 21st May, 2024.

At the ensuing Annual General Meeting Shri Sanjay Jhunjunwala and Shri S.C Agarwal, Directors of the Company, retire by rotation u/s 152

of the Companies Act, 2013 and being eligible, offered themselves for re-appointment at the ensuing Annual General Meeting. The appointment of Shri. Sushil Solomon, as an Independent Non-Executive Director was approved by members at the Annual General Meeting held on 20-08-2019 for a period of five years w.e.f. 06-08-2019. Accordingly, after having been recommended by the Nomination & Remuneration Committee of the Company, the Board has recommended for his appointment in the Board meeting held on 21-05-2024 for second term of 5 (five) years w.e.f. 06th August, 2024. Appropriate resolutions seeking your approval for the said appointments are appearing in the Notice convening the 51st AGM of the Company.

The appointment of Smt. Archana Agarwal and Shri Narendra Mohan was approved as Additional Independent Director(Non- Executive) in the Board meeting of the company held on 21st May, 2024 and 29th June, 2024 respectively. Accordingly, after having been recommended by the Nomination & Remuneration Committee of the Company and the Board, the appointment of Smt. Archana Agarwal and Narendra Mohan as an Independent Director Non- Executive for a period of 5 (five) years is proposed in the 51st AGM of the company w.e.f. 21st May, 2024 and 29th June, 2024 respectively. Appropriate resolutions seeking your approval for the said appointments are appearing in the Notice convening the 51st AGM of the Company.

#### **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-appointment.

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.

#### **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 30th May, 2023. 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 by preparing a structured questionnaire after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning, 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 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 Committee of the Board 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. The Board reconstituted its committees in the Board meeting held on 21st May, 2024. 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/ reconstituted 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 Shri. Bibhas Kumar Srivastav- Member Shri Sanjay Jhunjunwala-Member Shri Subhash Chandra Agarwal-Member* Shri Sushil Solomon- Member*	<ul style="list-style-type: none"> <li>All recommendations made by the committee during the year were accepted by the Board.</li> <li>The Company has adopted the Whistle Blower Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud.</li> <li>The Company has formed the Related Party Transaction Policy.</li> </ul>
Nomination and remuneration committee	Shri S.K Gupta-Chairman Smt. Madhu Mathur-Member Shri Sushil Solomon-Member Shri Bakshi Ram-Member* Shri Archana Agarwal- Member*	<ul style="list-style-type: none"> <li>The Committee oversees and administers executive compensation.</li> <li>All recommendations made by the committee during the year were accepted by the Board.</li> </ul>
Stakeholders relationship committee	Shri S.K Gupta-Chairman Smt. Madhu Mathur-Member Shri Aditya Jhunjunwala-Member Shri Bakshi Ram -Chairman* Shri Archana Agarwal- Member* Shri Sanjay Jhunjunwala-Member*	<ul style="list-style-type: none"> <li>The Committee reviews and ensures redresses of investor grievances.</li> <li>The committee noted that the grievances of the investors reported during the year, if any.</li> </ul>
Corporate social responsibility committee	Shri L.K Jhunjunwala-Chairman Shri Sanjay Jhunjunwala-Member Shri Sushil Solomon-Member	<ul style="list-style-type: none"> <li>The Board as laid down the Company's policy on Corporate Social Responsibility (CSR).</li> <li>The CSR policy is uploaded on Company website, <a href="http://www.kmsugar.com">www.kmsugar.com</a></li> </ul>
Finance Committee	Shri Aditya Jhunjunwala-Chairman Shri Subhash Chandra Agarwal-Member Shri S.K. Gupta-Member Shri. Bibhas Kumar Srivastav-Member*	<ul style="list-style-type: none"> <li>The committee review's the Company's proposed capital budget</li> <li>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.</li> </ul>

**\*Audit committee has been reconstituted w.e.f 21-05-2024 as follows: -**

Shri Bibhas Kr. Srivastava has been appointed as chairman of the committee  
Shri Sanjay Jhunjunwala has been replaced with Shri Subhas Chand Agarwal  
Shri S.K Gupta has been replaced with Shri Sushil Solomon

**\* Nomination and remuneration committee has been reconstituted w.e.f 21-05-2024 as follows: -**

Shri Sushil Solomon has been appointed as chairman of the committee  
Smt Madhu Mathur has been replaced with Smt Archana Agarwal  
Shri S.K Gupta has been replaced with Shri Bakshi Ram Yadav

**\* Stakeholders relationship committee has been reconstituted w.e.f 21-05-2024 as follows: -**

Shri Bakshi Ram Yadav has been appointed as chairman of the committee in place of Shri S.K Gupta  
Smt Madhu Mathur has been replaced with Smt Archana Agarwal  
Shri Aditya Jhunjunwala has been replaced with Shri Sanjay Jhunjunwala

**\* Finance Committee has been reconstituted w.e.f 21-05-2024 as follows: -**

Shri S.K Gupta has been replaced with Shri Bibhas Kr. Srivastava

### 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 38.8(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 – 6**, in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Transaction with the related party entered by the company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval.

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/policies-of-kmsml/#policy-on-related-party-transaction-pursuant-to-regulations-23-of-sebi>. 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 38.8(c) to standalone and consolidated financial statements.

### Key Financial Ratios

Key Financial Ratios for the financial year ended 31st March, 2024 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 the 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.

Date: 29.06.2024

Place: Lucknow

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

**-Sd/-**

**L. K. Jhunjhunwala  
Chairman**

**Din: 01854647**

## Annexure- 1

## Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

PARTICULARS	STEPS TAKEN BY THE COMPANY 2023-24
(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"> <li>40 Ton Refinery Seed Pan installed to reduce the recirculation of Sugar in Pan boiling to reduce sugar loss and saving of steam.</li> <li>6 Nos Mechanical Circulators installation in Existing Raw House Batch Pans to improve the efficiency of sugar crystallization in Pan boiling resulting in reduction of steam and power consumption.</li> <li>Existing Defecated Tubular Juice Heater's Ammonia Line modifications to improve the efficiency of heaters.</li> <li>Raw House Pan's Sweet water pipe line modification work upto defecated Juice to reduce the steam consumption at Raw Pans.</li> <li>First Condensate use for Super-Heated Water for Batch Centrifugal machines to reduce the power consumption in electric heaters.</li> </ol>
(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 2023-24 was	Rs.300 lakhs approx, during the year 2023-24 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 &amp; Development (R&amp;D)

## Technology absorption, adaptation and innovation:

- (i) The company carried on following sugarcane development activities during the financial year 2023-24:
- Popularizing use of trash mulcher to mix the trash in soil for quick decomposition in soil, which will improve the soil health.
  - Popularizing the drone spray for increasing the crop yield.
  - Providing mechanical equipments to cane growers to minimum cost of sugar cane cultivation.
  - Popularizing the drip irrigation for helping increase crop yield.
  - Popularization of distance planting for improving crop health, yield and recovery.
  - The Company has tied up with ICAR-SBI & ISMA for development and trial of new cane varieties having high yield and recovery, suitable for our location.
- (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.

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

## (ii) Foreign Exchange earnings &amp; Outgo

		Year ended 2023-24	Year ended 2022-23
i)	Foreign exchange earned in terms of actual inflows	Nil	Nil
ii)	Foreign Exchange outgo in terms of actual outflows	Rs.113.48 lakhs	Rs.60.71 lakhs



### 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

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 <https://www.kmsugar.com/policies-of-kmsml/#policy-on-selection-remuneration-of-directors-kmp-and-other-employees>. 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. In compliance with the provision of Companies Act 2013 amended from time to time (hereinafter called the 'Act') and Regulation 17 of Listing Regulations the board consists of eleven 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 independent executive director -cum- Chief Executive Office. The present mix of the Board of the Company is as under:

- Three Promoters, Executive Directors
- One non-Promoter, Executive Director-cum- CEO
- Five Independent, Non- Executive Directors
- One Additional Independent, Non- Executive Directors w.e.f 21st May, 2024
- One Additional Independent, Non- Executive Directors w.e.f 29th June, 2024

The composition of the Board of Directors, as on 31st March, 2024, 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:

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	No. of Board Committees for chairman (Audit/Stakeholder)	Attendance at last AGM	No. of shares as on 31-03-2023
1- Shri L.K. Jhunjhunwala	Promoter, Executive	-	-	-	4	-	Yes	14302600
2- Shri Aditya Jhunjhunwala	Promoter, Executive	3	-	2	4	-	Yes	5289242
3- Shri Sanjay Jhunjhunwala	Promoter, Executive	3	-	1	1	-	No	2494600
4-Shri S. C. Agarwal	Independent, Executive & CEO	1	-	-	2	-	Yes	-
5- Shri S. K. Gupta	Independent, Non-executive	1	-	3	4	3	Yes	-
6-Smt. MadhuMathur	Independent –Non-Executive	1	-	2	2	-	Yes	-
7-Shri Sushil Solomon	Independent –Non-Executive	-	-	--	4	-	Yes	-
8-Shri Bibhas Kumar Srivastav	Independent –Non-Executive	1	-	2	4	1	Yes	-
9- Shri Bakshi Ram	Independent –Non-Executive	-	-	-	1	-	-	-
10- Smt. Archana Agarwal*	Additional Independent –Non-Executive	-	-	-	-	-	-	-
11-Shri Narendra Mohan*	Additional Independent –Non-Executive	-	-	-	-	-	-	-

\*Smt. Archana Agarwal was appointed in the BM held on 21-05-2024

\*Shri Narendra Mohan was appointed in the BM held on 29-06-2024

**Inter-se Relationship: -**

The disclosure of relationship between Directors is as follows :-

Name of Director	Category	Inter-se Relationship
Shri L.K. Jhunjhunwala	Promoter, Executive	Father of Shri Aditya Jhunjhunwala and Shri Sanjay Jhunjhunwala
Shri Aditya Jhunjhunwala	Promoter, Executive	Son of Shri L.K Jhunjhunwala
Shri Sanjay Jhunjhunwala	Promoter, Executive	Son of Shri L.K Jhunjhunwala
Shri S. C. Agarwal	Independent, Executive & CEO	No Inter-se Relationship
Shri S. K. Gupta	Independent, Non-executive	No Inter-se Relationship
Smt. Madhu Mathur	Independent –Non-Executive	No Inter-se Relationship
Shri Sushil Solomon	Independent –Non-Executive	No Inter-se Relationship
Shri Bibhas Kumar Srivastav	Independent –Non-Executive	No Inter-se Relationship
Shri Bakshi Ram Yadav	Independent –Non-Executive	No Inter-se Relationship
Smt. Archana Agarwal*	Additional Independent –Non-Executive	No Inter-se Relationship
Shri Narendra Mohan*	Additional Independent –Non-Executive	No Inter-se Relationship

\*Smt. Archana Agarwal and Shri Narendra Mohan was appointed in the BM held on 21-05-2024 and 29-06-2024 respectively.

**Familiarization Programmes for Directors**

In the terms of Regulation 25 of Listing regulations, the company is required to conduct various programs for Independent Directors to familiarize them with the Company and its affairs, so that they 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 organized for the Directors.

The Details of Such Programme are available in the website of the company- <https://www.kmsugar.com/polices-of-kmsml/#familiarisation-policy>

**Board Meetings: -**

During the year ended on 31st March, 2024, Four Board meetings were held on 30.05.2023, 05.08.2023, 08.11.2023 and 05.02.2024. The details are as follows:-

Date of Board Meeting	Board Strength	Directors Present
30.05.2023	9	6
05.08.2023	9	7
08.11.2023	9	6
05.02.2024	9	7

**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. Jhunjhunwala	Promoter, Executive	Strategic supervision
2	Shri Aditya Jhunjhunwala	Promoter, Executive	Strategic supervision, Policy Making, Business Management and Leadership.
3	Shri Sanjay Jhunjhunwala	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 Bakshi Ram Yadav	Independent–Non-Executive	Business Plans & Guidance
10	Smt Archna Agarwal*	Add. Independent–Non-Executive	Strategic Management, supervision and Guidance
11	Shri Narendra Mohan*	Add. Independent–Non-Executive	Policy Implantation Guidance and Business Plans
12	Shri Arvind Kumar Gupta	Chief Financial Officer	Implementation of Financial and Accounting Methodologies and control
13	Ms. Pooja Dua	Company Secretary-cum-Compliance Officer	Compliance Management and its implementation

\*Smt. Archna Agarwal and Shri Narendra Mohan was appointed in the BM held on 21-05-2024 and 29-06-2024 respectively.

#### 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

During the year under review no independent Director has resigned from the company.

#### 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 two are Non-Executive Independent Directors and one is Promoter - Executive Director. Shri S K Gupta Independent Non-executive Director of the Company acts as the Chairman of the Committee in the Meeting of Audit Committee during the year under review. The Board in its meeting held on 21st May 2024 has reconstituted the committee and appointed Shri Bibhas Kumar Srivastav as the chairman of the committee 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.

#### The Composition of the Audit Committee:-

S. No	Name of the Member as on 31.03.2024	Appointed Members w.e.f 21.05.2024*	Position	Category
1	Shri S. K. Gupta	Shri. Bibhas Kumar Srivastav	Chairman	Non-Executive Independent Director
2	Shri Bibhas Kumar Srivastav	Shri Sushil Solomon	Member	Non-Executive Independent Director
3	Shri Sanjay Jhunjhunwala	Shri S.C Agarwal	Member	Promoter Executive Director

\*Board approved changes in the Audit committee in the Board Meeting held on 21st May, 2024.

### 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, 2024, Five committee meetings were held on 30.05.2023, 05.08.2023, 08.11.2023 and 05.02.2024.

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri S. K. Gupta	Chairman	4
2	Smt. Bibhas Kumar Srivastav	Member	4
3	Shri Sanjay Jhunjhunwala	Member	1

### Nomination and Remuneration Committee

The Remuneration Committee comprises of three directors, and all the three directors are non-executive independent directors. Shri S K Gupta Independent Non-executive Director of the Company acts as the Chairman of the Committee in the Meeting of Nomination and Remuneration Committee, during the year under review. The Board in its meeting held on 21st May 2024 has reconstituted the committee and appointed Shri Sushil Solomon as the chairman of the committee. During the year ended on 31st March 2024, four committee meetings were held on 30.05.2023, 05.08.2023, 08.11.2023 and 05.02.2024. The details are as follows:

S. No	Name of the Member as on 31.03.2024	Appointed Members w.e.f 21.05.2024*	Position	Category
1	Shri S. K. Gupta	Shri Sushil Solomon	Chairman	4
2	Smt. Madhu Mathur	Shri Bakshi Ram	Member	2
3	Shri Sushil Solomon	Smt. Archana Agarwal	Member	4

\*Board approved changes the committee in the Board Meeting held on 21st May, 2024.

### Terms of Reference: -

The Terms of Reference of the Nomination and Remuneration Committee are in line with the requirement of the Act and Part D Schedule II of Listing Regulations

- (1) to formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

[(1A). For every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.]

- (2) to formulate criteria for evaluation of performance of independent directors and the board of directors;

- (3) to devise a policy on diversity of board of directors;

- (4) to identify a persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- (5) to check whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- (6) to recommend to the board, all remuneration, in whatever form, payable to senior management.

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

evaluations 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.

Shri S K Gupta Independent Non-executive Director of the Company acts as the Chairman of the Committee in the Meeting of Stake Holders' Relationship Committee during the year under review. The Board in its meeting held on 21st May 2024 has reconstituted the committee and appointed Shri Bakshi Ram as the chairman of the committee.

Ms. Pooja Dua, Company Secretary is designated as the Compliance Officer of the company.

During the year ended on 31st March, 2024, four committee meetings were held on 30.05.2023, 05.08.2023, 08.11.2023 and 05.02.2024. The details are as follows:

S. No	Name of the Member as on 31.03.2024	Appointed Members w.e.f 21.05.2024*	Position	Category
1	Shri S. K. Gupta	Shri Bakshi Ram	Chairman	4
2	Smt. Madhu-Mathur	Smt. Archana Agarwal	Member	3
3	Shri Aditya Jhunjunwala	Shri Sanjay Jhunjunwala	Member	4

\*Board approved Reconstitution the committee in the Board Meeting held on 21st May, 2024.

### Shareholders Compliant: -

During the year ended 31st March, 2024, no compliant was received. Further, No Compliant were pending at the beginning of the year and the year end. Further, no transfer request is pending.

### 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 was formed to assist the Board in the formulation and implementation of CSR policy as per the Schedule VII of Companies Act, 2013 and also to recommend the CSR expenditure to be incurred by the company. 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, 2023, four committee meetings were held on 30.05.2023, 05.08.2023, 08.11.2023 and 05.02.2024. The details are as follows:

SI no.	Name of the Member	Position	Number of meetings attended
1	Shri L.K. Jhunjunwala	Chairperson	4
2	Shri Sanjay Jhunjunwala	Member	1
3	Shri S. K. Gupta	Member	4

### Finance Committee:

The committee was formed by the Board of Directors to review the Company's proposed capital budget, Finances, Investments, requirement of fund/loans and liaising with Banks/lenders with the power to approve the new/revised facilities/limits for the company as sanctioned/to be sanctioned by Banks/lenders. During the year ended on 31st March, 2024 One committee meetings was held during the financial year ended 31st March, 2024 on 14th March 2024. The details are as follows:

SI no.	Name of the Member as on 31.03.2024	Position	Number of meetings attended
1	Shri Aditya Jhunjunwala	Chairperson	1
2	Shri S. C. Agarwal	Member	1
3	Shri S. K. Gupta*	Member	1

\*Shri S.K Gupta was replaced with Shri Bibhas Kr. Srivastava w.e.f 21-05-2024.

### Independent Directors' Meeting

During the year under review, the Independent Directors met on May 30, 2023, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

### Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year.



Sr.No.	Name of Senior Management Personnel	Designation	Changes if any, during the year (Appointment / Cessation)	Nature of change and Effective date
1	Prithu Srivastava	G.M. (ADMIN)	-	-
2	Ram Murat Singh	G.M. (SALES)	-	-
3	Shivendra Kumar Mishra	G.M. (PROCESS)	-	-
4	Sunil Kumar Chauhan	G.M. (CANE)	-	-
5	Asrar Ahmad	G.M. (HR)	-	-
6	Anil Kumar Pal	V.P. (PRODUCTION)	-	-
7	Rajendra Kumar Gupta	G.M. (COMMERCIAL)	-	-
8	Uma Shankar Jaiswal	G.M. (PROJECT)	-	-
9	Balmukund Srivastava	G.M. (FINANCE)	-	-
10	P.C Tiwari	V.P. (TECHNICAL)	-	-
11	Ratendra Kumar Jauhari	G.M. (SYSTEM & OPERATION)	-	-
12	V. N. Mishra	G.M. (P&A)	-	-
13	Arvind Kumar Gupta	CFO	-	-
14	Pooja Dua	CS	-	-

### 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 <https://www.kmsugar.com/polices-of-kmsml/#policy-on-selection-remuneration-of-directors-kmp-and-other-employees>.

#### 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.

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 accorded in the 50th Annual General Meeting of the company as the aggregate annual remuneration payable to executive directors who are promoters or members of the promoter group, exceeds 5 per cent of the net profits or annual remuneration payable to such executive director exceeds Rs.5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher, in terms of regulation 17(6)(e) of the SEBI Listing Regulation, 2015.

The remuneration paid to the directors during the year ending on 31st March, 2024 in the Annual Return in form MGT-7 of your Company is available on its corporate website at <https://www.kmsugar.com/wp>

#### 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 Three 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.

#### Circular Resolution

No resolution by Circulation was passed during the reporting period.

### General Body Meeting

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
2020-21	10.03.2021	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	EGM
2020-21	29.09.2021	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	AGM
2021-22	24.03.2022	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	EGM
2021-22	22.09.2022	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	AGM
2022-23	25.09.2023	Video Conferencing (VC) or other audio visual means (OAVM)	11.00 a.m.	AGM

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

Date	AGM/EGM		Particulars
10th March, 2021	EGM	1)	Contribution to any national, charitable, social, benevolent, public Funds
		2)	To approve the investment in Sonar Castings Limited
29th September, 2021	AGM	1)	To Approve grant of Loans, Guarantees or provide security or make investment u/s the provisions of 185(2) and to the related party of the companies Up-to an Aggregate Amount Not Exceeding Rs. 100.00 Crores.
24th March, 2022	EGM	1)	To Approve the Change in Terms of Appointment of Shri L.K. Jhunjunwala (Din: 01854647) as A Whole Time Director Designated as Chairman of the Company
		2)	To Approve the Change in Terms of Appointment of Shri Aditya Jhunjunwala, (Din: 01686189) Whole Time Director, designated as a Managing Director
		3)	To Approve the Change in Terms of Appointment of Shri Sanjay Jhunjunwala (Din: 01777954) Whole Time Director, designated as a Joint Managing Director of the Company
		4)	To Approve the Change in Terms of Appointment of Shri Subhash Chandra Agarwal, (Din -02461954) Whole Time Director, designated as an Executive Director- cum-CEO of the Company
22nd September, 2022	AGM	1)	To appoint Shri Bakshi Ram as an Independent Director of the Company
25th September, 2023	AGM	1)	To appoint a director in place of Shri L.K Jhunjunwala, who retires by rotation and being eligible, offers himself for re-appointment
		2)	Re-appointment of Shri Aditya Jhunjunwala, (DIN: 01686189) as Managing Director of the Company
		3)	Re-appointment of Shri Sanjay Jhunjunwala (DIN: 01777954) as a Whole Time Director designated as a Joint Managing Director of the Company
		4)	Re-appointment of Shri Subhash Chandra Agarwal, ( DIN-02461954 ) as a Whole Time Director designated as a Executive Director of the Company

### 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 pursuant to regulation 33 and 47 of Listing Regulations the Intimation of Board meeting to consider financial results and after the approval of same in the Board are communicated to the stock exchanges within the prescribed time period and published in prominent newspapers viz. The Financial Express and Rashtriya Sahara.

The given below is the details of publishing of quarterly results of the Company-

	Financial Results		Newspaper
	Date of approval by Board	Date of Publication	
Quarter ended 30.06.2023 (Un-audited)	08.08.2023	09.08.2023	Financial Express ; Rashtriya Sahara
Quarter ended 30.09.2023 (Un-audited)	10.11.2023	11.11.2023	Financial Express ; Rashtriya Sahara
Quarter ended 31.12.2023 (Un-audited)	05.02.2024	06.02.2024	Financial Express ; Rashtriya Sahara
Quarter and Year ended 31.03.2024(Audited)	21.05.2024	23.05.2024	Financial Express ; Rashtriya Sahara

\* Publication arranged

The results published also show as footnote relevant additional information and/or disclosures to the investors.

### Website

As per the requirement of regulation 46 of Listing Regulations, the Company maintains a functional website [www.kmsugar.com](http://www.kmsugar.com) that contains relevant information updated in time and complies with SEBI (LODR) Regulations, 2015. The company website also displays the official news releases.

### Vigil Mechanism /Whistle Blower Policy

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.

The Policy is available at <https://www.kmsugar.com/policies-of-kmsml/#whistle-blower-policy-vigil-mechanism>

### 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 30-06-2023, 30-09-2023, 31-12-2023 and 31-03-2024 on 14.07.2023, 13.10.2023, 10.01.2024 and 18.04.2024. The Secretarial Auditors have certified that the company has complied with the Corporate Governance norms 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 ranking based on Market Capitalization as on 31.03.2024 on BSE is 1844 and at NSE is 1633. 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 -2023-2024

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

**Day & Date: Saturday, August 03, 2024**

**Time: 11.00 AM**

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

### Listing on Stock Exchanges

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 31-03-2024 has been paid to all the concerned stock exchanges by the Company:**

<b>1. National Securities Depository Ltd.,</b> Trade Worlds, 4th floor, Kamala mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai – 400013	<b>2. Central Depository Services (India) Ltd.,</b> PhirozeJeejeebhoy Towers, 17th floor, Mumbai 400023
<b>Compliance officer</b> Ms. Pooja Dua, Company Secretary, 76-Eldeco Green, Gomti Nagar, Lucknow-226010 is Compliance Officer of the Company. Mail:cs@kmsugar.in M-7571000517	<b>Registrar &amp; Share Transfer Agent</b> <b>Link Intime India Pvt Limited</b> Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 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.)

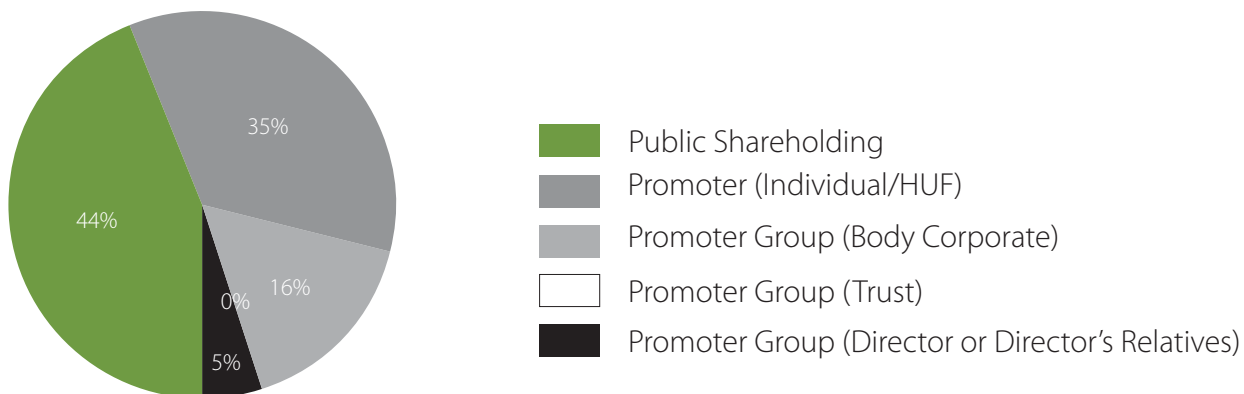
Month	Quotation at BSE			Quotation at NSE		
	High	Low	Closing	High	Low	Closing
Apr-23	30.39	26.10	28.79	29.7	28.65	29.25
May-23	30.25	25.75	26.37	26.9	25.55	27.55
Jun-23	28.30	25.95	26.60	27.1	26.45	26.45
Jul-23	28.03	24.25	26.65	27.1	26.4	26.45
Aug-23	32.79	25.85	30.94	27.6	26.75	27
Sep-23	39.20	30.01	34.98	35.95	34.7	35.35
Oct-23	36.60	29.74	33.05	34.8	31.95	32.1
Nov-23	35.55	31.01	33.40	34	33.25	33.4
Dec-23	34.60	30.09	31.54	31.95	31.15	31.15
Jan-24	33.49	30.00	32.89	33.55	32.15	32.25
Feb-24	39.05	30.28	33.38	33.55	32.75	33.4
Mar-24	35.10	27.04	28.07	29.1	27.9	28.15

## Shareholding Pattern as at 31st March, 2024

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
<b>(A) Shareholding of Promoter and Promoter Group</b>				
(1) Indian				
Promoter:-Individuals / Hindu Undivided Family	4	32152342	32152342	34.95
Promoter Group:-Any Other (Specify)				0.00
Bodies Corporate	4	14849359	14849359	16.14
Director or Director's Relatives	3	4801018	4801018	5.22
Trusts	1	188780	188780	0.21
Sub Total(A)(1)	12	51991499	51991499	56.51
(2) Foreign				
<b>Total shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)</b>	<b>12</b>	<b>51991499</b>	<b>51991499</b>	<b>56.51</b>
<b>(B) Public Shareholding</b>				
(1) Institutions				
(a) Central Government / State Government(s)	1	1140	1140	0
(b) Financial Institutions/Banks	1	485	485	0
(c) Foreign Portfolio Investors Category I	3	234316	234316	0.25
<b>Sub Total(b)(1)</b>	<b>5</b>	<b>235941</b>	<b>235941</b>	<b>0.25</b>

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
(2) Non-Institutions				
(a) Body Corporate (including LLP)	5	3,7002	3,7002	0.04
(b) Individual				
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	53846	25297818	25296793	27.5
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	13	8658123	8658123	9.42
(iii) NBFCs registered with RBI	0	0	0	0
(iv) Any Other (Specify)				
Clearing Member	3	30514	30514	0.03
Non Resident Indians (NRIs)	335	887527	887527	0.96
Hindu Undivided Family	491	1404536	1404536	1.52
Body Corporate	104	3457210	3457205	3.76
<b>Sub Total(B)(2)</b>	<b>54797</b>	<b>39772730</b>	<b>39771700</b>	<b>43.23</b>
<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	<b>54802</b>	<b>40008671</b>	<b>40007641</b>	<b>43.48</b>
<b>Total (A)+(B)</b>	<b>54814</b>	<b>92000170</b>	<b>91999140</b>	<b>100</b>
(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
<b>Total (A)+(B)+(C)</b>	<b>54814</b>	<b>92000170</b>	<b>91999040</b>	<b>100</b>

### 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.

### Share Transfer System

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

### Distribution of Shareholding

\* The Company disclosed 54814nos. of shareholders while submitted Share Holding Pattern to Stock Exchange(s) for the quarter ended 31-

03-2024 as PAN nos. of some to them were merged for the purpose of their holding. However, the total nos. of shareholders were 55548 on 31-03-2024 as per distribution chart.

Distribution	No. of shareholders	No. of shares
0-1000	51146	8783322
1001-3000	2943	5417311
3001-5000	661	2833330
Above 5000	798	74966207
<b>Total</b>	<b>55548</b>	<b>92000170</b>



### Plant Location

Sugar 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. The same is also available in the website of the company at <https://www.kmsugar.com/policies-of-kmsml/#1659439653727-79e991b4-ef4d>.

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](http://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 some Related Party Transactions with the Company's related entity which could be considered materially significant, these transactions are not conflicting with the interests of the Company. The company investment of Rs. 2350.00 Lacs in Optionally fully convertible Debentures (OFCD) of M/s K M Startegic Investments & Holding Pvt Ltd and inter corporate deposit amounting to Rs.165 lacs on arm's length basis for the principal business activity of M/s K M Startegic Investments & Holding Pvt Ltd in FY 22-23 continues. During the year the company has granted inter corporate deposit amounting to Rs.705 lacs on arm's length basis for the principal business activity of M/s K M Startegic Investments & Holding Pvt Ltd (The shareholders of the Company in their AGM held on 29.09.2021 had pursuant to the provisions of Section 185 & 188 of the Companies Act, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23(4) of the SEBI(LODR) Regulations, 2015 ("Listing Regulations"), accorded their consent to grant loan/ guarantee/security/ make investments by way of subscription/purchase/conversion/otherwise Equity Shares/ Preference Shares/Debentures/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.)

Further, the corporate guarantee provided by the Company continues of Rs. 6113.96 lacs for securing credit facilities to M/s Sonar Castings Limited, during the year the company has made investment in the

preference shares of M/s Sonar Castings Limited of Rs.1295 Lacs. (The shareholders of the Company in their EGM held on 10.03.2021 had pursuant to the provisions of Section 185, 186 & 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23(4) of the SEBI(LODR) Regulations, 2015, MOA/AOA and the Company's policy on RPT(s), accorded their consent to the contract(s)/ arrangement(s)/ transaction(s) with Sonar Castings Limited (SCL), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for investments/Corporate Guarantee for securing credit facility, up to an aggregate value not exceeding Rs.150 Crores, for the business activities of SCL related to its ductile Iron project at West Bengal.)

Transactions with related parties entered by the Company in the normal course of business during the year ended 31st March 2024 have been disclosed in reference to IND-AS 24 in Note 38.8 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

During the year under review the credit ratings assigned to the company form Infomerics Valuation and Rating Private Limited for Long term Bank Facilities has been reassigned to IVRA-

### 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 to the Board's Report forming part of the Annual Report of the Company.

#### ii) Quarterly Financial Results

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

These are communicated to Stock Exchanges by 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, 2023 to 31st March, 2024 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](http://www.nseindia.com).

Quarterly reports to Bombay Stock Exchange have been filed through BSE Listing Centre and are available on web-link- [www.bseindia.com](http://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 30.06.2023, 30.09.2023, 31.12.2023 and 31.03.2024 on 27.07.2023, 18.10.2023, 15.01.2024 and 19-04-2024 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) 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 31-03-2025. 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 Practicing Company Secretary- (C.P.No.7878) to undertake the Secretarial Audit of the Company for year ended as at 31-03-2024. The Secretarial Audit Report is annexed per **Annexure-7**. There are no qualifications in the Secretarial Audit Report.

#### (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 2024. 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 2024 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.

#### Loans and advances by the company and its subsidiary: -

During the year ended 31st March 2024 the particulars of the loan given by the company to a firm/company in which the Director is interested

Name of the company	M/s K M Startegic Investments & Holding Pvt Ltd
Amount of Loan	Rs.705 Lacs

The subsidiary of the company has not given any Loan to a firm/company in which the Director is interested.

#### Compliance with non-mandatory requirements

- Chairman's office:- Shri L.K Jhunjhunwala had been appointed as Whole Time Director designated as Executive Chairman, w.e.f 19.05.2015.
- Separate posts of Chairman and CEO: Shri L.K Jhunjhunwala is holding the position of Whole Time Director designated as Executive Chairman. Shri Aditya Jhunjhunwala is the Managing Directors and Shri Sanjay Jhunjhunwala 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 id's 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, 2024 under a declaration with the unmodified opinion.

### Mandatory Compliances:-

The company is in compliance with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance report of the annual report.

The corporate governance report of the company for the year end 31st March, 2024 is in compliance with the Listing Regulations.

### Non- Mandatory Compliances: -

- (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: There was no non-compliance during the FY 2023-2024 and 2022-23, FY 2021-22 there is no such non-compliance
- (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. 38.8 (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-4**.
- (vii) Confirmation by the Board with respect to the Independent Directors is provided in the Report on Corporate Governance under the head Board 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 forming part of this Annual 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 Mehrotra & Mehrotra, 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.11,58,000/- during FY 2023-24.
  - 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 one time settlement with any Bank or Financial Institution.

For K. M. Sugar Mills Ltd.

Sd/-

L.K Jhunjunwala

Chairman

Din: 01854647

Date: 29.06.2024

Place: Lucknow

### 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 2023-24 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**

**Din: 01854647**

Date: 21.05.2024

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. Mehrotra & Mehrotra, Chartered Accountants, New Delhi having firms registration number (FRN-0226C) have issued an Audit report with the unmodified opinion on and consolidated financial results for the quarter and year ended 31st March, 2024.

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

**-Sd/-**

**Aditya Jhunjhunwala**

**Managing Director**

**Din: 01686189**

**-Sd/-**

**Arvind Kumar Gupta**

**CFO**

Date: 21-05-2024

Place: Lucknow

### Annexure-3

#### 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.

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.

##### 2. Composition of CSR Committee:

S. No.	Financial Year	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 Jhunjhunwala (Chairman)	Whole Time Director	4	4
2	Mr. Sanjay Jhunjhunwala (Member)	Whole Time Director	4	1
3	Mr. Sushil Solomon (Member)	Independent Director	4	4



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)	Amount Carry Forward for the financial year, if any (in Rs)
1	2021-22	1,09,00,000	89,05,050	19,94,950
2	2022-23	70,00,000	-	70,00,000
3	2023-24	1,29,05,050	-	1,29,05,050
	<b>TOTAL</b>	<b>3,08,05,050</b>	<b>89,05,050</b>	<b>2,19,00,000</b>

6. Average net profit/ (Loss) of the last 3 year's company as per section 135(5): Rs. 40,58,15,022.88
7. (a) Two percent of average net profit/ (loss) of the company as per section 135(5): Rs. 81,16,300.46 /-
  - (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years:
  - (c) Amount Approved by the Board for CSR during the year: Rs. 89,05,050/-
  - (d) Amount required to be set off for the financial year, if any: Rs. 89,05,050/-
  - (e) Total CSR obligation for the financial year (7a+7b- 7c): Nil
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. 2023-24 (in Rs.)	Amount Unspent (in Rs.)				
	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 Fund	Amount	Date of transfer.
Rs. 89,05,050	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).	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.
	TOTAL	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).	Location of the project.		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	installation of 50 Fans at District Jail, Ayodhya as per Clause (i) of Schedule VII	Preventive health care and sanitation	Yes	U.P.	Masodha	Rs.51,250/-	Yes	N.A.	N.A.
2	Contribution to Tathagat for payment School Fee to Banaras Public School, Varansai towards promoting education of underprivileged students as per Clause (i) of Schedule VII	Promoting education	Yes	U.P.	Masodha	Rs. 5,00,000.00/-	No	N.A.	N.A.
3	Contribution to Bharat Lok Shiksha Parishad School Fee towards promoting education of underprivileged students as per Clause (i) of Schedule VII	Promoting education	Yes	U.P.	Masodha	Rs. 3,30,000.00/-	No	N.A.	N.A.
4	Hospital Construction	Promoting education	Yes	U.P.	Faizabad	Rs. 120,00,000.00/-	No	SHREE LAKSHMI PUBLIC CHARITABLE TRUST	CSR00026120
5	Rural development of distillery	Rural Development Projects	Yes	U.P.	Masodha	Rs.23,800/-	Yes	N.A.	N.A.
	TOTAL (Rs.)					Rs.1,29,05,050/-			
	Donation to PM Cares Fund for Covid -19 Pandemic (Rs.)					0.00			
	Total CSR expenditure for FY 2023-24 (Rs.)					Rs.1,29,05,050/-			

(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.129,05,050/-

(g) Excess amount for set off, if any

S. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit/(loss) of the company as per section 135(5)	Rs. 81,16,300 /-
(ii)	CSR obligation of the company	Rs. 81,16,300 /-
(iii)	Amount Approved by the Board for CSR during the year	Rs.89,05,050/-
(iv)	Total amount spent for the Financial Year	Rs.129,05,050/-
(v)	Excess amount spent for the financial year [(iii)-(ii)]	Rs.129,05,050/-
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vii)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.2,19,00,000 /-

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 rema-ining to be spent in succee-ding 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):

(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**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- 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

**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, 2024, as stipulated in:
  - The Listing Agreements of the Company with stock exchanges for the period April 1, 2023 to March, 31 2024
  - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period April 1, 2023 to March, 31 2024.
2. 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, 2023 to March, 31 2024. 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 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, 2024.
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 -A019302F000493644

Date: 30.05.2024

Place: Lucknow



### CEO and CFO Certification

We, S.C Agarwal, Executive Director-cum- CEO 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, 2024, 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: 21-05-2024  
Place: Lucknow

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

**-Sd/-**  
**S.C Agarwal**  
**Executive Director-cum- CEO**

**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, 2024, 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, 2024

**For Pragati Gupta  
Company Secretaries**

**Sd/-  
Pragati Gupta  
Proprietor**

Membership No. : A19302

C.P. No. 7878

UDIN -A019302F000493611

Date: 30.05.2024

Place: Lucknow

## 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	01.04.2023 to 31.03.2024
2	Reporting currency	Lacs
3	Share Capital	5.00
4	Reserve & Surplus	0.17
5	Total Assets	5.29
6	Total Liabilities	5.29
7	Investments	0.00
8	Turnover	0.00
9	Profit before tax	0.19
10	Provision for tax	0.04
11	Profit after tax	0.15
12	Proposed Dividend	0.00%
13	% of shareholding	100%

**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: 21.05.2024  
Place: Lucknow

-Sd/-  
L.K. Jhunjunwala  
Chairman  
Din: 01854647

**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:-

1	M/s Sonar Casting Ltd
2	M/s K M Strategic Investments & Holdings Private Limited

(b) Nature of contracts/arrangements/transactions:-

M/s Sonar Casting Ltd	Investment and Corporate Guarantee
M/s K M Strategic Investments & Holdings Private Limited	Investment

(c) Duration of the contracts / arrangements/transactions: 01-04-2023 to 31-03-2024

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

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

(Rs. in lakhs)

Name of the related party/Nature of transaction	Value 2023-24/(2022-23)
M/s Sonar Casting Ltd/Corporate Guarantee	Rs.6113.96 (6895.88)
M/s Sonar Casting Ltd/ Investment in Pref. Shares	Rs.4585.00 ( 3290.00)
M/s K M Strategic Investments & Holdings Private Limited/ Investment in OFCD	Rs.2350.00 (2350.00)
M/s K M Strategic Investments & Holdings Private Limited/ Inter Corporate Deposit	Rs.870.00 (2750.00)

(e) Date(s) of approval by the Board, if any:

Transaction With	Reviewed and recommended by the Audit Committee	Approved by the Board	Approved by the Shareholders
M/s Sonar Casting Ltd	29.05.2019 and 10.11.2020	29.05.2019 and 10.11.2020	20.08.2019 AGM and 10.03.2021 EGM
M/s K M Strategic Investments & Holdings Private Limited	12.02.2022	12.02.2022	24.03.2022 EGM

(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

Din: 01854647

Date: 21.05.2024

Place: Lucknow



**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**  
**[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, 2024 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, 2024 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") - (Not applicable to the listed entity during the review period);
  - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations");
  - d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("Buyback Regulations") - (Not applicable to the listed entity during the review period);
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, Regulations 2021 ("SBEB Regulations") - (Not applicable to the listed entity during the review period);
  - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2021 ("Non-convertible Securities Regulations") - (Not applicable to the listed entity during the review period);
  - g) The Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("Delisting Regulations") - Not applicable as the listed entity has not made any delisting during the year under report;
  - h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies and dealing with client - Not applicable as the listed entity is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
  - j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 ("DP Regulations");
- 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 of India 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.
- 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 no material event having bearing on the affairs of the Company.

Date: 30.05.2024

Place: Lucknow

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

**For Pragati Gupta  
Company Secretaries**

**-Sd/-**

**Pragati Gupta  
Proprietor**

Membership No. : A19302

C.P. No. 7878

UDIN -A019302F000493545

**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 -A019302F000493545

Date: 30.05.2024  
Place: Lucknow

## Annexure-8

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, 2024.

**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	81	Chairman	BA	50	19.09.2015	251.71	-
2	Shri Aditya Jhunjhunwala	53	Managing Director	B.COM	29	19.09.2015	300.89	-
3	Shri Sanjay Jhunjhunwala	48	Joint Managing Director	MBA	25	19.09.2015	169.69	-

**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 yrs.	Date of commencement of employment	Remuneration Rs. In Lacs	Previous employment
				NIL				

**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**

Name(s) of Whole time Directors	Designation	Remuneration -year ended 31-03-2024 (In Lacs)	Remuneration -year ended 31-03-2023 (In Lacs)	% increase/ (Decrease) in remuneration *	Ratio of remuneration to median remuneration of employees	Ratio of the remuneration to Net Profit year ended 31-03-2024
Shri L.K. Jhunjhunwala	Whole Time Director	251.71	229.17	9.8%	932:1.00	0.090:1.00
Shri Aditya Jhunjhunwala	Mg. Director	300.89	323.52	-6.99%	1114:1.00	0.107:1.00
Shri Sanjay Jhunjhunwala	Jt. Mg. Director	169.69	171.24	-0.91%	628:1.00	0.060:1.00
Shri S.C. Agarwal	Exe. Director-cum- CEO	58.43	58.72	-0.49%	216:1.00	0.021:1.00

Name(s) of Independent Directors	Remuneration – Year ended 31-03-2024 (In Lacs)	Remuneration in year ended 31-03-2023(In Lacs)	% increase in remuneration
Sh. S.K. Gupta	1.45	1.45	(0)%
Mrs. Madhu Mathur	0.90	0.90	(0)%
Dr. Sushil Solomon	1.20	1.20	(0)%
Sh. Bibhas Kumar Srivastav*	1.00	1.0	(0)%
DR. Bakshi Ram Yadav	0.40	0.40	(0)%

Name of KMP	Remuneration – Year ended 31-03-2024 (In Lacs)	Remuneration year ended 31-03-2023 (In Lacs)	% increase in remuneration	Ratio of the remuneration to Net Profit for the year ended 31-03-2024
Sh. Arvind Gupta	22.66	19.49	16.26%	0.008:1.00
Ms. Pooja Dua	7.07	5.96	18.62%	0.003:1.00

## 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	932:1.00 1114.1.00 628:1.00 216:1.00	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	9.83% -6.99% -0.91% -0.49% 16.26% 18.62%	Note-3																																				
3	The percentage increase in the median remuneration of employees in the financial year	35 %																																						
4	The number of permanent employees on the rolls of company	373																																						
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;		Note-2																																				
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>Increase/(Decrease) in %</td></tr><tr><td>2022-23</td><td>2023-24</td><td></td></tr><tr><td>808.1</td><td>810.45</td><td>0.29%</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>2022-23</td><td>2023-24</td><td></td></tr><tr><td>58689.04</td><td>66,564.98</td><td>13.41%</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>2022-23</td><td>2023-24</td><td></td></tr><tr><td>3133.18</td><td>3,911.07</td><td>24.82%</td></tr></table>		Total Remuneration (Rs. In lacs)			Financial Year		Increase/(Decrease) in %	2022-23	2023-24		808.1	810.45	0.29%	Revenue of the Company (Rs. In lacs)			Financial Year	Financial Year	Increase in %	2022-23	2023-24		58689.04	66,564.98	13.41%	Profit before Tax and exceptional items (Rs. In lacs)			Financial Year	Financial Year	Increase/Decrease in %	2022-23	2023-24		3133.18	3,911.07	24.82%	Note-3
Total Remuneration (Rs. In lacs)																																								
Financial Year		Increase/(Decrease) in %																																						
2022-23	2023-24																																							
808.1	810.45	0.29%																																						
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Financial Year	Financial Year	Increase in %																																						
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Profit before Tax and exceptional items (Rs. In lacs)																																								
Financial Year	Financial Year	Increase/Decrease in %																																						
2022-23	2023-24																																							
3133.18	3,911.07	24.82%																																						



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 31-03-2024	As at 31-03-2023	Variation	Increase/Decrease in %
		Closing rate at NSE	Rs.	28.05	26.35	6.45%	
		EPS Consolidated	Rs.	3.05	2.52	21.03%	
		Market Capitalization	Rs./ lacs	25806.05	24242.04	6.45%	
		Price Earnings Ratio	Ratio	9.19:1	10.45:1	-12.05%	

**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 the Whole Time Directors- Mr. L.K Jhunjhunwala and Mr. Aditya Jhunjhunwala during the year under review. Further Directors' Remuneration which exceeds the limit specified under section 197 of the Companies Act, 2013 read with schedule V and was approved by the shareholders of the company in the 50th AGM of the company held on 25th September 2023.
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.

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

Sd/-  
**L.K Jhunjhunwala**  
Chairman  
Din: 01854647

Date: 29.06.2024  
Place: Lucknow

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## SWOT Analysis:

KM Sugar Mills consists of manufacturing and trading facilities of sugar and ethanol . 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
- Good Margins
- End Use Consumption
- Diverse Product Portfolio of Sugar Industry

### Weakness

- Implementation of Advance Processes Technology
- Appropriate Methods for control of cane diseases

### Opportunities

- Developments in Artificial Intelligence
- Lucrative Opportunities in International Markets

### Threats

- Culture of sticky prices in the industry
- Policy intervention by government being regulated industry
- Increasing Sugar Cane Prices

## K M SUGAR MILLS LTD SEGMENT-WISE PERFORMANCE.

Particulars	Sugar	Distillery	Unallocable	Total
<b>Revenue</b>				
Gross sales	61,296.03 (54,349.14)	7,592.70 (5,391.36)	- (-)	68,888.73 (59,740.50)
Less: Inter segment sales	3,172.80 (2,187.95)	- (-)	- (-)	3,172.80 (2,187.95)
<b>External sales</b>	58,123.23 (52,161.19)	7,592.70 (5,391.36)	- (-)	65,715.93 (57,552.55)
Add: Other income	790.98 (954.36)	58.07 (182.13)	- (-)	849.05 (1,136.49)
<b>Total revenue</b>	58,914.21 (53,115.55)	7,650.77 (5,573.49)	- (-)	66,564.98 (58,689.04)
<b>Segment results</b>	4,824.63 (4,337.01)	740.72 (181.33)	- (-)	5,565.35 (4,518.34)
Less: Finance cost	1,631.25 (1,366.61)	23.03 (18.55)	- (-)	1,654.28 (1,385.16)
<b>Profit before tax</b>	3,193.38 (2,970.40)	717.69 (162.78)	- (-)	3,911.07 (3,133.18)
Current tax				1,047.64 (722.15)
Deferred tax				54.29 (89.65)
<b>Profit after tax</b>				2,809.14 ( 2,321.38)
<b>Other information</b>				
Segment assets	70,430.74 (63,532.74)	7,491.85 (6,799.99)	- (-)	77,922.59 (70,332.73)
Segment liabilities	45,292.52 (40,638.09)	1,526.89 (1,434.94)	782.01 (733.29)	47,601.42 (42,806.32)
Capital Expenditure	1,889.12 (7,065.53)	694.59 (527.24)	- (-)	2,583.71 (7,592.77)
Depreciation and amortisation	1,708.17 (1,120.66)	550.91 (466.68)	- (-)	2,259.08 (1,587.34)

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.

## RISKS AND CONCERNS.

### 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.

#### (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, however it needs to revised upward now Similarly, ethanol is sold to the Govt. undertakings/Oil manufacturing companies and power is sold to the Govt. undertaking 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.

### 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.

### 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.

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.

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023	Change
Current Ratio	Current assets	Current liabilities	1.02	1.04	-1.92%
Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.96	0.97	-1.03%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Note 2)	1.58	1.92	-17.71%
Return on Equity Ratio	Profit for the year	Average Total Equity	9.71	8.80	10.34%
Inventory turnover ratio	Revenue from Operations	Average Inventory	1.85	1.62	14.20%
Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	37.16	54.93	-32.35%*
Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	3.86	3.25	18.77%
Net capital turnover ratio	Revenue from Operations	Working Capital	69.39	35.46	95.69%^
Net profit ratio	Profit for the year	Revenue from Operations	4.27%	4.03%	24bps
Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	15.76%	12.85%	291bps
Return on investment	Profit for the year	Average Total Assets	3.79%	3.45%	34bps

\* Delayed realisation of trade receivable

^ Increase in current liability of cane price increase for season 2023-24

Note 1: Debt includes lease liabilities

Note 2: Debt service = Interest and Lease payments and Principal Repayments

Note 3: EBIT = Profit before exceptional items + Finance Costs

Note 4: Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities

### Global Sugar Market Outlook

The global sugar market size attained a consumption volume of about 180.31 million tons in 2023. The market is projected to grow at a CAGR of 1% between 2024 and 2032, reaching a volume of 197.19 million tons by 2032.

#### Key Takeaways

- Sugarcane is the world's largest source of sugar, producing about 80% of the global supply.
- Major producers of sugar include Brazil, India, China, Thailand, and the United States.
- There is a growing focus on integrating ethical and sustainable practices into the manufacturing process due to rising social and environmental concerns.

Sugar is a sweet, crystalline food supplement mainly extracted from sugar beet and sugar cane and is used in various kinds of drinks and food. Sugar is sweet, soluble in water, provides nutrition and energy, and enhances the colour and texture of food. It can also be used

to extend the shelf life of food products such as jams and jellies by inhibiting the growth of microorganisms.

The increasing demand for confectionery products is one of the major factors driving the sugar market growth. The household consumption of sugar remains high due to increased popularity of homemade pastries, cakes, sweet rolls, and pies, among other dessert or bakery products. Rising standards of living and increasing purchasing power in emerging economies, which usually lead to higher consumption of processed foods containing high sugar content, such as dairy and soft drinks, are expanding the market share. Additionally, favourable government policies and agreements regarding the export, import and trade of sugar favour the market expansion.

### Key Trends and Developments

Adoption of sustainable practices; rising consumption of sugar-based products, including processed foods; and technological improvements in the manufacturing process are the major trends impacting the sugar market expansion

Date	Company/ Government Agency	Announcement
Nov 2023	British Sugar	Invested 16.5 million pounds in making a sugar factory eco-friendly to reduce carbon footprint
Jan 2024	SucroCan Sourcing	Announced to invest USD 135 million in the construction of a sugar processing plant in Hamilton, Canada
Feb 2024	Bajaj Hindusthan Sugar	Announced a partnership with EverEnviro for the construction of Compressed Biogas (CBG) plants using biomass from sugar mills
Feb 2024	The Government of Bangladesh	Established a five-year plan for modernisation of sugar mills to boost sugar production in the country

Trends	Impact
Increasing focus on improving sustainability throughout the value chain	Manufacturers are focusing on ethical labour practices and are integrating sustainable methods into the production process.
Rising consumption of sugar-based products, including processed foods	Increasing consumption of processed foods drives the demand for sugar, which finds widespread usage in products like jams, jellies, candy, chocolates, and others.
Usage of sugar byproduct in agriculture	Molasses, a by-product of sugar, is used in animal feed to enhance the digestibility and palpability of feed.
Technological improvements in the production process	Digitalisation of sugar manufacturing process is a key trend, as automation of the production process helps increase output, ensures consistency and quality, and minimises energy losses and environmental impact.

### Sugar Market Trends

One of the prominent market trends is the growing demand for sustainably sourced sugar which involves practices such as no pesticide usage and reduced water consumption. Sustainably sourced sugar also involves the certification of Fairtrade which ensures that the farmers and labourers are compensated fairly for their work. Moreover, due to the health and wellness trend, consumers are readily seeking out organic sugar, which is produced without any synthetic pesticides and fertilisers.

Sugar producers are readily establishing new refineries and sugar mills to meet the growing demand for sugar. In January 2024, SucroCan Sourcing announced that is it investing USD 135 million for the establishment of a refinery in Hamilton, Canada. The rising demand for sugar as well as the low sugar production rate in Ontario, Canada presents a lucrative opportunity for the company.

### Market Segmentation

"Sugar Market Report and Forecast 2024-2032" offers a detailed analysis of the market based on the following segments:

Market Breakup	Categories
Type	White, Brown, Liquid
Form	Granulated, Powdered, Syrup
Source	Sugar Beet, Sugarcane
End User	Food and Beverages, Pharma and Personal Care, Household, Others
Region	North America, Europe, Asia Pacific, Latin America, Middle East and Africa

White sugar accounts for a major sugar market share due to its neutral profile which makes it compatible with a wide range of food products. White sugar, a common type of refined sugar, occupies the major market share as it is the preferred sweetener for various foods and beverages. The food and beverage sector which includes sectors like confectionery, bakery, and dairy heavily relies on white sugar for its neutral flavour, colour, and preservative qualities. Moreover, the affordability of white sugar makes it a popular choice in both developed and developing countries. White sugar also possesses a long shelf life and does not require refrigeration to preserve its quality, which makes it a favourable choice.

Brown sugar is increasingly being demanded by health-conscious consumers as it is a healthier alternative compared to white sugar. It is rich in antioxidants, vitamins, and minerals, and supports overall human health. It also contains polyphenols, a compound which has been scientifically researched to have multiple health benefits, further boosting its popularity.

The food and beverage sector maintains its dominance in the market due to the rising use of sugar in processed foods.

The food and beverages sector holds the majority share in the sugar market as granulated sugar is widely used in various food and beverage products like baked goods, confectionery, soft drinks,



and other processed foods. For example, in baked goods and confectionery, sugar can enhance the texture, volume, and colour of the product, whereas in bread and alcohol production, it can be used for fermentation.

**Sugar Market Analysis by Region**

The market growth in the Asia Pacific can be largely attributed to the dominance of domestic food manufacturers and increased consumption of packaged food products in the region. The food sector is the largest consumer of sugar in the Asia Pacific as there is a high demand for sweeteners and sugar-based ingredients in various

food and beverage products, including baked goods, confectionery, soft drinks, and other processed foods.

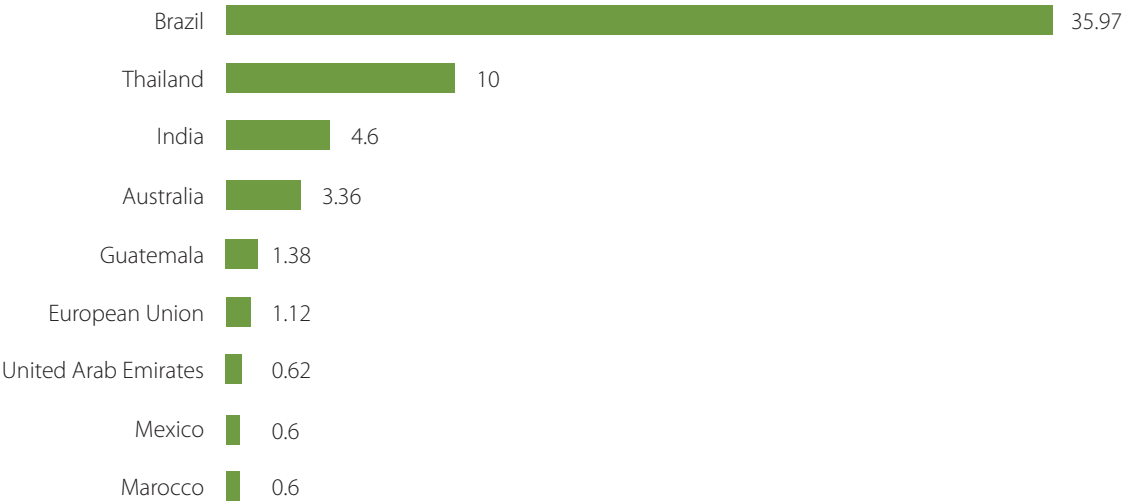
(Source:<https://www.expertmarketresearch.com/reports/sugar-market>)

**Sugar: exports of major countries 2023/2024**

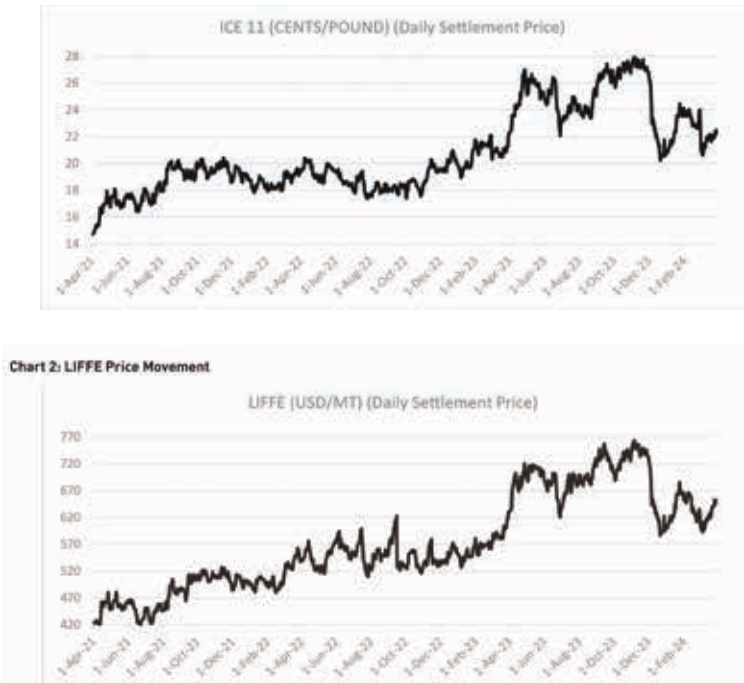
Brazil has the highest export volume of sugar of any country, at about 35.97 million metric tons as of 2023/2024. The second largest sugar exporter, Thailand, had significantly less export volume compared to Brazil, at about 10 million metric tons of sugar that year.

[www.statista.com](https://www.statista.com)

**Principal sugar exporting countries in 2023/2024**  
(in million metric tons)



The graph of ICE 11 (Raw Sugar) and LIFFE (White Sugar) exchange prices during last 3 years i.e., April 2021 – March 2024 is given below: Chart 1: ICE 11 Price Movement



From the above price graph of 3 years, it can be observed Sugar price has significantly firmed up during the Sugar Year 2022-2023 and Sugar Year 2023-2024 and one of the major factors is absence of Indian Sugar from global market and poor crop in Thailand leaving entire pressure on Brazil to feed global market.

#### ICE 11 (Raw Sugar Prices):

Raw Sugar prices started from the level of 14.71 cents/pound on 1st April 2021 lowest level during the period, touched high of 27.95 cents

during November 2023 and closed at level of 22.5 cents / pound as on 31st March,2024.

#### LIFFE (White Sugar Prices):

White Sugar prices started from the level of 423.4 USD/MT as on 1st April 2021, touched low of 420.5 USD during April 2021, high of 763.4 USD during November 2023 and closing level of 652.5 of March 2024 month.

**Table 1: Global Balance Sheet**

Unit: 000 Metric tonnes, Raw value

Year (Oct-Sept)	Production	Consumption	Surplus / Deficit	Import	Export
2008-09	142961	151520	-8559	48395	48390
2009-10	148391	151960	-3569	53993	53997
2010-11	156177	153096	3081	53870	53865
2011-12	163597	157962	5635	54325	54321
2012-13	171804	163572	8232	60655	60632
2013-14	174132	165282	8850	58361	57917
2014-15	169373	166888	2485	58259	58270
2015-16	164114	169978	-5864	66195	66322
2016-17	169080	172691	-3611	64730	64989
2017-18	180731	172240	8491	62823	62825
2018-19	176118	174308	1810	57927	58011
2019-20	169127	169180	-53	66193	65926
2020-21	168946	169708	-762	64853	64332
2021-22 (P)	172662	174327	-1665	62191	62512
2022-23 (P)	182142	175957	6185	61500	64486
2023-24 (P)	174839	176957	-2118	64373	61559

Source: ISMA

**Table 2: Major Sugar producing countries:**

value

Unit: 000 Metric tonnes, Raw value

S. No.	Name of Country	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (P)
1	Brazil	31049	29030	39654	38509	32067	42083
2	India	32479	33162	27411	31192	35920	32700
3	China	10633	10503	10415	10663	9560	8970
4	Thailand	14674	14441	8228	6976	10134	11025
5	U.S.A.	7758	7551	6908	7827	7566	7714
6	Mexico	6010	6426	5278	5715	8135	5250
7	Pakistan	5652	5552	4988	5502	7868	6657
8	Australia	4729	4102	3862	4303	3809	4373
9	Germany	4595	3825	3980	3737	4166	3649
10	France	5219	5060	4758	3354	4000	3666
11	Russia	6480	6292	7063	5391	5700	6250
12	Indonesia	2165	2267	2095	2294	2387	2440
13	Philippines	2127	2037	2146	2180	1936	1799
14	Argentina	1562	1617	1861	1627	1550	1484
15	Colombia	2378	2207	2179	2097	1842	2080
16	South Africa	2084	2307	2116	1861	1866	2054

S. No.	Name of Country	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (P)
17	Guatemala	2704	2930	2764	2565	2762	2609
18	Poland	2194	2190	2066	1987	2305	2008
19	Turkey	2704	2283	2587	2952	2520	2760
20	Ukraine	2095	1669	1312	1277	1450	1330
21	Egypt	2170	2519	2280	2720	2460	2360
22	Cuba	1086	1193	1200	824	482	355
23	Peru	1073	1146	1172	1103	1200	1280
24	Vietnam	1646	1174	769	709	747	871
25	Iran	1805	1520	1377	1463	1300	1300

(Source: ISMA)

### Trends in Sugar Industry in 2024, Boosting Expansion Factors of Global Sugar

The sugar industry still enjoys a continuous expansion trend, supported by the production volume of sugar in Thailand and the demand for sugar consumption.

#### Key Issues to Impact the Direction of the Sugar Industry in 2024

The sugar industry in the year 2024 continues to show signs of expansion, despite severe drought. Influencing factors include an upward-trending price. However, there is also a need to monitor the risks arising from the fragile global economy and export control policies of India. Key issues that will impact the direction of the sugar industry in the year 2024 are as follows:

1. The global economy's expansion, even though the overall global economic landscape in 2024 continues to show a sustained growth trend, will have an impact on the demand for sugar products in the global market. Nevertheless, the recovery of the global economy in the coming year remains highly vulnerable due to the effects of rising interest rates and the slowing trend of the Chinese economy.
2. The export control policy of sugar by India will lead to an adjustment in global sugar prices in the coming year, given India's significant role as a global sugar exporter. However, the implementation of India's export control policy remains highly uncertain due to the lack of clarity in terms of timing and stringency in policy enforcement.
3. The drought issue, characterized by below-average rainfall in several areas of Thailand this year due to the El Niño phenomenon, will cause damage to sugarcane production in the 2023/24 growing season. Sugarcane is a water-intensive crop, and a significant portion of Thailand's sugarcane cultivation relies primarily on rainwater.

(Source: Analysis by SCB EIC based on data from ISO, IMF, and UN)

#### The Sugar Industry will Continue to Expand in 2024

SCB EIC expects that the revenue of the sugar industry in 2024 is likely to expand slightly, supported by the trend of increasing prices. This helps compensate for the significantly reduced production volume, as Thai sugar production in the 2023/24 crop year was expected to decrease by 20.9%, reaching 8.7 million tons. This decline was in line with the expected 15.7% year-on-year reduction in sugarcane

entering Thai mills, totaling 79.1 million tons, resulting from reduced yields per hectare due to drought conditions.

In addition, the central and northern regions will experience a significant reduction in sugarcane production due to more severe drought conditions compared to other areas. Meanwhile, the average export price of sugar in 2024 is expected to increase by 21.6% year-on-year, reaching \$620.5 per ton. This aligns with the upward trend in global sugar prices, expected to continue next year. The global sugar market is anticipated to face an imbalance as India is likely to reduce sugar export quotas in the upcoming production season, leading to a further increase in global sugar prices in 2024, estimated at 26.1 cents per pound.

(Source: Analysis by SCB EIC based on data from the Office of the Cane and Sugar Board and the Ministry of Commerce)

The sugar export value in 2024, it is expected to stabilize at 3.6 billion U.S. dollars, while the domestic sugar market value will be at 5.5 trillion Baht, showing a 12.0% year-on-year expansion. The reasons behind this are as follows:

- 1) Increasing consumption volume in the country, following the economic recovery.
- 2) The increase in domestic sugar prices due to state policy adjustments.

In the intermediate term, the sugar industry continues to exhibit a sustained expansion trend, supported by factors such as the production volume of sugar in Thailand and the ongoing global demand for sugar, which is expected to increase continuously

#### The Challenges of the Sugar Industry in 2024

The growth of the sugar industry in 2024 and beyond will face various challenges. These challenges include economic uncertainty, agricultural policies of trading partners/competitors, changes in climate conditions, policies and measures to promote the transition to a low-carbon economy, and the sustainability trend.

1. The economic uncertainty and agricultural policies of trading partners/competitors contribute to the challenges faced by the sugar industry in 2024. The global economy remains vulnerable and highly uncertain due to unforeseen events occurring continuously. Additionally, the agricultural policies of various countries also exhibit a high degree of uncertainty. This situation

will result in the sugar industry, heavily reliant on exporting to the global market, experiencing increased volatility.

2. Climate change will force sugar industry entrepreneurs to cope with more volatile business conditions, affecting both production costs and the uncertain quantities of raw materials. The unpredictability is particularly high in terms of both production costs and the uncertain quantities of raw materials.
3. Policies and measures to promote the transition to a low-carbon economy, such as international trade measures and carbon taxation, will increase the cost of operating sugar businesses. These pressures will lead to an adjustment in the costs associated with sugar production.
4. Sustainability is one of the crucial global megatrends that impact the sugar industry. Consumers and continuous industries using sugar as a raw material tend to increasingly prioritize environmental, social, and ethical issues in the future.

SCB EIC believes that participants in the sugar industry must swiftly adapt to address the aforementioned challenges and elevate their competitiveness sustainably in the global market. This includes preparing for the high uncertainty in economic conditions, international trade regulations, and policies of trading partners/competitors. For example, adapting to the production and trade policies of major trading partners, such as India and Brazil, and the self-sufficiency policies in food by key trading partners. Diversifying exports to various markets is crucial to avoid excessive dependence on a single market. Furthermore, contingency plans for various scenarios, including investments to seize opportunities and mitigate the impacts of climate change and sustainable trends, such as supporting sugarcane farmers to invest in water sources or providing incentives for sugarcane farmers to harvest the fresh cane. Additionally, transitioning production systems towards a low-carbon economy is also emphasized.

#### **Indian Sugar industry seeks urgent MSP revision and long-term ethanol policy from new Government**

The sugar industry hope that the Government will revise the Minimum Selling Price (MSP) for sugar. The industry believes that, while the Government has established appropriate policy measures, the implementation of these policies has been inadequate. Additionally, the industry is advocating for a stable long-term policy on ethanol blending to support and encourage ethanol producers. They emphasise the need for a resilient policy framework that remains steadfast even in the face of challenges. ChiniMandi spoke to several sugar industry leaders and champions to gather their expectations from the new Government.

**Deepak Ballani, DG, ISMA on behalf of the Indian Sugar & Bio-energy Manufacturers Association (ISMA)**, urged the new Government to prioritise some of the long-standing demands of the industry. "It is imperative that the Government revises the Minimum Selling Price (MSP) for sugar upwards and aligns it with the Fair and Remunerative Price (FRP) of sugarcane", he stated.

**Prakash Naiknavare, MD, National Federation of Cooperative Sugar Factories (NFCSF)**, said that the new Government should seriously consider raising sugar MSP. The sugarcane price has been revised four times during the last four years but the sugar MSP has remained stagnant at Rs. 31 per kg creating tremendous financial stress, especially on the Cooperative sugar mills because the Cooperative banks when they provide pledge loan, they take the benchmark of Sugar MSP and not the prevalent sugar prices. This anomaly results in lesser availability of loans to the cooperative sugar mills.

Another important and relevant angle to the subject is that Dr. C. Rangarajan's Committee's recommendations, which are accepted by the Central Government and left to the State Government for implementation envisages 70-75% of total revenue to be the cane price, while the balance 25-30% has to be retained by the sugar mills to meet their operational expenses/including overheads. Naiknavare said that if one does the reverse calculation of this formula, the sugar MSP based on current year's FRP logically will not be less than Rs. 40/- kg.

**Sanjay Khatal, Managing Director, Maharashtra State Cooperative Sugar Factories Federation, Ltd.**, said that the Government should act on the existing policies that it has already introduced. Khatal said that there have been successive increases in the cane FRP, however the sugar MSP has remained unchanged since 2019. "When the sugar MSP was introduced by the Government, it was fixed after taking into account the Fair & Remunerative Price (FRP) of sugarcane. Hence, it is high time that an upward revision in sugar MSP is due. I hope the Government increases the MSP, which will enable sugar mills to make timely sugarcane price payment to the farmers," he said.

A similar sentiment is echoed by **industry veteran Bharat Bhushan Mehta, Whole Time Director and CEO, Dalmia Bharat Sugar and Industries Limited**, noting the need for an upward revision in sugar MSP due to increases in sugarcane FRP and other input costs over the years, including for SY24-25.

**Sarita Reddy, Managing Director, Gayatri Sugar**, also said that an upward revision of MSP which is long overdue.

**Kiran Wadhwana, Owner, COMDEX India Ltd.** and an important voice in the international sugar trade said a lot will depend on who will helm the Ministry of Food and Public Distribution post the new Government formation. "A lot will depend on the thought process and ideas he/she brings to the table. Upward revision in sugar MSP is long due, and we would want the new Government to prioritise that. ISMA has been requesting the Government to allow sugar exports considering higher closing stocks in the current season and expectations of a good Monsoon", he opined.

**Rahil Shaikh, Managing Director of MEIR Commodities**, added that the sugar industry faces significant issues, primarily regarding the sugar MSP. "The first and foremost issue is regarding sugar MSP. If you see there has been a steady increase in cane FRP without any corresponding increase in sugar MSP or ethanol prices, which has led to losses for the industry. The Government should immediately revise these two prices and mitigate the losses of the sugar mills," he said.

(Author: Dr.Kiattisak Khamsi)

## **Safeguarding ethanol interest**

Government to revise the ethanol procurement prices for various feedstocks used in ethanol production, reflecting the FRP of sugarcane. The continuation of the Ethanol Blending Program (EBP) would greatly benefit from lifting the restrictions over ethanol production from juice and B heavy molasses, thereby enhancing the production capacity and contributing to the overall goals of the program," he said.

To sustain the Ethanol Blending Program (EBP) and support the financial liquidity of sugar mills and to ensure prompt payments to farmers, it was advocated for the implementation of the National Mission on Sugarcane (NMS) to ensure stability in sugarcane production and facilitate informed decision-making by the Government.

The industry association representing Cooperative Sugar sector expect Government to declare long-term Ethanol Blending Programme (EBP) for which Oil Marketing Companies (OMC) should confirm long term off-take commitments which would give confidence not only to the current ethanol manufacturers but also to the prospective investors who envisages to invest in creating distillation capacity pan India.

Another point of concern is that despite the new Ethanol Supply Year having crossed half way, the revised prices of Ethanol produced from Sugarcane juice, Sugar Syrup and "B" Heavy Molasses are still not announced. This sort of ambiguity creates uncertainty in the minds of all the stakeholders connected with the success of National Bio-Fuel Policy.

The Government should also announce the new ethanol prices for the next supply season much in advance by September. "This will help sugar mills to strategise their product mix- as to how much sugar and ethanol from C Heavy, B Heavy and Sugarcane Juice to be produced. In the current season, sugar mills had produced ethanol from B Heavy molasses, but were unutilised after the Government restricted ethanol production from B Heavy molasses. Though the Government has recently allowed its utilisation, there was a lot of uncertainty regarding the same. This should not be repeated next year. I feel that the Government should allow sugar mills to produce ethanol from B Heavy molasses and not restrict it at all. B Heavy molasses are a rich source of ethanol, and the sugar loss is also minimal" he stated.

It was further, emphasised the need to develop alternative feedstocks for ethanol production, such as sweet sorghum, which has potential. "I feel the Government should consider developing an ecosystem for that with a pricing policy on raw material and ethanol made out of it similar to what exists for sugarcane and other feed stocks used for ethanol production. This will promote clean, green & renewable energy," he said.

Mohan said that the Government should announce a floor/normative price for bagasse-based co-generation, which is a green fuel. "This will incentivise the sugar mills to produce bagasse-based cogeneration. This is very much required at this point as air pollution is a big challenge in most of our cities. We still have more than 60% thermal-based power supplies in the country", he added.

The former Director of NSI-Kanpur also stressed that there is a need to constitute a task force, which may suggest diversification and value addition beyond power, ethanol and CBG. The mandate of the task force may be to study, analyse and recommend how by-products &

waste from the sugar industry can be utilised for producing other value-added products, particularly, through start-ups and developing entrepreneurship.

On ethanol policy, Shaikh said that there is an urgent need to have a long-term ethanol policy which is air-tight, and not impacted by changes in cane production etc. He stressed on sugar exports stating that there is a need for a tight policy on sugar exports. "India exported sugar in the past and we developed a brand for ourselves in the international market, which suffered this year, when we put in export curbs. For sugar trading, I feel there needs to be a long-term policy without any knee-jerk changes. This will protect our image in the global market. I think there should be a national policy to look at higher cane production and higher yield and recovery. If we have a sugarcane crop in the tune of 600-700 MMT every year, it will benefit our three policies vis-à-vis domestic requirement, ethanol production and sugar export," he said.

Mehta said that there should be revision in ethanol prices based on the formula already decided by the central government. He highlighted the need for a clear sugar diversion policy before the next season and suggested linking cane prices with sugar prices as per the recommendations of the CACP and recent Supreme Court orders. He also called for the implementation of the UP molasses policy and market rates for levy molasses at the state level, as well as a review of various levies on molasses.

Naiknavre further added that on the advice of Hon'ble Home and Cooperation Minister, a comprehensive 10-year roadmap of India's sugar sector is under process. This gigantic exercise has been assigned to a professional policy advocacy agency, which is expected to put up its first draft suggesting various policy reforms on long pending issues confronting the sugar and bio-energy sector and will also touch upon various future technology-based avenues.

He concluded that another initiative jointly undertaken by the Federation and ISMA and a full-fledged proposal has been submitted to DFPD is for enhancing and stabilisation of production of sugarcane for sustainable achievement of EBP targets after meeting the sugar requirement of the country. He hoped that the new Government will take cognizance of the above initiatives and fulfil the expectations of India's Sugar and Bio-energy Sector.

## **"Ethanol" Targets Sustainable Aircraft Fuel Development**

Europe has unveiled a new strategic plan for sustainable aviation, titled 'Destination 2050 – A Route to Net Zero European Aviation.' This represents the long-term vision for the aviation industry in the pan-European region under the Paris Agreement and the European Green Deal, serving as a roadmap for addressing global warming. Several European Union countries have urged stakeholders from various sectors to participate in the EU Pact for Sustainable Aviation, supporting sustainable air travel both domestically and internationally. The aim is to reduce carbon emissions to net zero by the year 2050, with an initial target of a 55% reduction in emissions from intra-European flights by 2033.

One in four of the key measures in transitioning to sustainable aviation is the use of Sustainable Aviation Fuels (SAFs), which is expected to contribute to a reduction of carbon emissions by up to 34%.



Ethanol is considered as one type of alcohol that is crucial to the fuel and alternative energy industry, playing a significant role in the country's energy landscape. It is also one of the clean energy sources with high potential for sustainable development as aircraft fuel.

Sanchai Chasombat, M.D., the director of the Alcoholic Drink Organization, envisions the development of alcohol production technology to help reduce the costs of importing fuel and additives such as MTBE (Methyl Tertiary Butyl Ether) from abroad. Simultaneously, this effort aims to increase value and stabilize agricultural product prices.

"Since the ethanol production process in Thailand primarily uses agricultural raw materials, the ethanol utilized in the fuel industry is distilled to a purity level of at least 99.5%. It is then employed as a component to generate essential energy, such as bioethanol, obtained by blending ethanol with gasoline. Consequently, the ethanol production industry plays a crucial role in the country's multifaceted development, particularly in the energy sector," addressed Sanchai who also emphasized that the state-owned alcohol organization, with a responsibility for producing ethanol for both domestic and international markets, aimed to operate with the goal of continuous development to ensure the quality of the produced ethanol. This includes the adoption of environmentally friendly technologies to reduce greenhouse gas emissions in all processes, aligning with environmental policies in Thailand and globally.

The director of The Liquor Distillery Organization added that the organization had conducted studies and research to develop alternative raw materials for ethanol production, considering by-products from the agricultural sector such as rice husks and corn cobs. These options aim to increase ethanol production efficiency, reduce production costs, and utilize agricultural residues instead of allowing them to become waste. This approach adds value to the remaining agricultural materials by reintegrating them for maximum benefit.

"Ethanol is a crucial component in the production of Sustainable Aviation Fuel (SAF), which is a biofuel produced from biological resources. SAF aims to reduce greenhouse gas emissions in the aviation industry. As a leading producer of high-purity ethanol, The Liquor Distillery Organization sees it as an important challenge to develop production technologies for ethanol that can be integrated into various industries, including sustainable aviation fuel production," explained Dr. Sanchai, highlighting that the general ethanol production process involves using natural raw materials, also known as bioethanol production. This process involves transforming plant-derived raw materials into sugars, followed by fermentation to convert sugars into ethanol. The ethanol is then distilled to obtain high-purity ethanol.

The director of The Liquor Distillery Organization stated that the raw materials used were agricultural crops such as grains, rice, corn, and root crops like cassava. Another popular type is the use of sugar-based raw materials in the production process, including sugarcane and sugarcane bagasse. After the breakdown process, sugar is obtained to be used in the fermentation process by adding suitable yeast. Good quality yeast should have the ability to efficiently convert sugar into ethanol. The ethanol used as a fuel must then undergo a separation process to achieve a concentration of no less than 99.5%.

"The Liquor Distillery Organization has plans and strategies to develop the production process by incorporating new raw materials to replace the use of sugarcane bagasse and cassava. The new raw materials fall into the category of cellulose fibers derived from agricultural residues such as rice straw and corn stover, which are used as substitutes," stated Dr. Sanchai. He also mentioned that the transformation of cellulose into ethanol has limitations, particularly in terms of high costs. Research and development into the ethanol production process from cellulose fibers aim to enhance efficiency and reduce the costs of using various components, ultimately lowering production costs. If future advancements can reduce production expenses, readily available agricultural residues may become a significant alternative raw material for sustainable fuel industries. This is a direction actively pursued and continuously developed by the alcohol organization up to the present.

In addition, ethanol produced through biochemical processes is considered a non-toxic fuel due to more complete combustion compared to conventional fuels. Moreover, it utilizes raw materials derived from agricultural crops, making ethanol fuel a clean energy source suitable for various automotive applications. This includes ongoing development and experimentation for its use as aviation fuel.

"Currently, the fuel used in aircraft is generally traditional fossil fuels, which release carbon dioxide, contributing to global warming," Dr. Sanchai explained. He further stated that the aviation industry is focusing on research and development of Sustainable Aviation Fuel (SAF) as a sustainable alternative, aiming to reduce carbon dioxide emissions in line with future Net Zero plans.

On the other hand, the use of bio jet fuels in aviation has limitations in terms of production quantity, as it requires a large volume of biomass as raw material. Additionally, there are high costs associated with the production process. Plans and policies are driving the development of ethanol for sustainability, with the goal of utilizing agricultural residues as a future source. Although the raw materials may vary, the quality of ethanol produced remains consistent. If commercial viability is achieved on a large scale, it will impact the development of bio jet fuel production processes for sustainable aviation in the future.

#### Aircraft Fuel, SAF, Thailand Ethanol

#### ISMA MOOTS STRATEGIC POLICY INTERVENTIONS TO MEET 20% ETHANOL BLENDING TARGET BY 2030

To address the challenges faced by the sugar industry and meet the 20 per cent ethanol blending target by 2030, the Indian Sugar and Bio-Energy Manufacturers Association (ISMA) has stressed the need for strategic policy interventions by the Centre. The drop in Indian sugarcane production due to the global climate phenomenon, EL Nino, has significantly impacted ethanol production, with a sudden halt in production from mid-December 2023.

Despite the drop in production, ISMA asserts that India could have produced an additional 250 crore litres of ethanol by diverting a further quantity of around 25 lakh tonnes of sugar, even after meeting the full domestic demand requirements. This surplus could have been almost adequate to meet the current ethanol year requirement from the sugar industry.

Prabhakar Rao, President of the ISMA said, "The Indian sugar industry is well-positioned to meet the government's ambitious 20 per cent ethanol blending target till 2030. Our industry can contribute a significant 55 per cent of the ethanol requirement, and even increase that to up to 60 per cent if we can get stable policy support and investment on sugarcane production stabilisation."

However, several challenges need to be addressed, including the availability and affordability of raw materials for ethanol production.

#### **Benefitting all stakeholders**

To enable the sugar industry to meet the Ethanol Blending Requirement, Rao suggested that the Minimum Support Price (MSP) for sugar and ethanol prices for various feedstocks be fixed harmoniously, while announcing the Fair and Remunerative Price

(FRP) for sugarcane. This will ensure the financial viability of the industry and attract more investments, leading to capacity creation that can help meet domestic sugar requirements and produce ethanol as per the EBP programme, he said

ISMA emphasises the need for stakeholder collaboration, regulatory tweaks and international inspiration to transform the sugar industry. The successful implementation of these policy interventions is crucial not only for sustainable energy practices but also for the financial strength of the sector and the welfare of farmers.

As the industry navigates these challenges, Rao urged stakeholders to collaborate, innovate and take positive action to ensure a smooth transition towards a future powered by renewable resources, paving the way for a greener and more sustainable tomorrow.

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of K M Sugar Mills Limited  
Report on the Audit of financial statements

**Opinion**

We have audited the accompanying standalone financial statements of KM Sugar Mills Limited ("the Company") which comprises the Balance Sheet as at March 31, 2024, 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, 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 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 financial statements under the provisions of the Act and the Rules there-under, 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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	Auditor's Response
1	<p><b>Valuation of inventory of sugar:</b></p> <p>As on March 31, 2024, the Company has inventory of sugar with a carrying value INR 37098.06 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><b>Principal Audit Procedures</b></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 &amp; 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><b>Contingent Liabilities :</b></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><b>Principal Audit Procedures</b></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"> <li>- understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases;</li> <li>- discussing with management any material developments and latest status of legal matters;</li> <li>- 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;</li> <li>- examining management's judgements and assessments whether provisions are required;</li> <li>- considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote;</li> <li>- reviewing the adequacy and completeness of disclosures;</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p>
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#### 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

#### Responsibility of Management for the Financial Statements

The Company's Board of Directors is for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 financial statements, including the disclosures, and whether the 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 decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, based on our report 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 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.

- 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, as amended, 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 financial statements –Refer Note 38.5 to the financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv.a) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in persons or entities identified in any manner whatsoever by or on behalf of the Company ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either

individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (a) and (b) above, contain any material misstatement.
- (v) In our opinion, the company has not declared and paid dividend during the year so this para is not applicable to the company.
- (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
2. As required by the Companies (Auditor) Order, 2020 issued by the central Government in terms of Section 143(11) of the Act, we give a statement on the matters in Annexure "A".

For **Mehrotra & Mehrotra**

Chartered Accountants  
Firm Registration No.: 000226C

CA Sanjay K. Rai  
Partner

Place: Lucknow  
Date: 21.05.2024

M. No.: 507946  
UDIN:24507946BKFXDC6684

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements of KM Sugar Mills Limited for the year ended 31st March, 2024, we report that:**

- (i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and relevant details of right-of-use assets on the basis of available information;
- (b) The Company has maintained proper records showing full particulars of intangible assets.
- (c) The fixed assets of the Company have been physically verified by the management at reasonable intervals as per information provided to us and as explained; no material discrepancies were noticed on such verification;
- (d) Based on our examination of lease agreement for land on which building is constructed, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (e) The company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

- (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii)(a) 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.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, during the year from banks on the basis of security of current assets and the statements filed with the banks by the company are in agreement with books of account other than those set out in Note No.38.33 having difference because of statements filed with the lenders are based on provisional basis and also because of exclusion of certain current assets in the statement filed with lenders.
- (iii)(a) The Company has, in previous year, made investments in a company and provided loan to a company other than subsidiary, joint ventures and associates during the year in respect of which:  
  
the aggregate amount of investment made and loan given during the year and balance outstanding at the balance sheet date with respect to such loans or advances to company other than subsidiaries, joint ventures and associates.

Sl.No.	Nature	Aggregate Amount (Rs. in lakhs)	Outstanding at the balance sheet date (Rs. in lakhs)
1	Loan Provided	705	870
2	Investment in Preference Shares	1295	1295

(The above amount is appearing in Note 13 on Current Loans and Note 4 on Non-Current Investments.)

KMP and their relatives have substantial interest /significant influence in the entities with whom the above transactions entered.

- (b) In our opinion and according to the information and explanations given to us, the investments made and loan provided by the company and the terms and conditions of the grant of loans and investments made, during the year are prima facie, not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated, however as per terms, the repayment of the loan or interest has not fallen due during the year. Thus, there has been no default on the part of the party

to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) In our opinion and according to the information and explanations given to us, no amount is overdue for more than ninety days in respect of the aforesaid loans as per repayment schedule of principal and payment of interest. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (e) No loan granted by the Company which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act, 2013 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 which are deemed to be deposits. Hence, reporting under clause 3(v) of the order is not applicable.
- vi) In our opinion and according to the information and explanations given to us, the 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 are prima facie maintained by the company.

vii) In respect of statutory dues:

- (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, duty of customs, Goods and service tax and any other material statutory dues to the appropriate authorities to the extent these are applicable.
- (b) According to the information and explanations given to us, in respect of statutory dues, no undisputed dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they become payable.
- (c) 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 pertain	Forum where dispute is pending
Entry Tax Act	Entry Tax	1.34	1.34	2012-13	Additional Commissioner (Appeal), Commercial Tax, Faizabad
Income Tax Act	Income Tax	690.72	-	2017-2018, 2014-2015 and 2019-20 Rs.6.50, Rs.650.81 and Rs.33.41 respectively.	Commissioner of Income Tax (Appeal)

- viii) According to the information and explanations given to us and the records of company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix)(a) According to the records of the company examined by us and the and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest there on to any lender.
- (b) According to the information and explanations given to us and on the basis of audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to information and explanation given to us, the company has applied the Term loan for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of audit procedures performed by us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, the company has not raised any loans on pledge of security held in its subsidiaries, joint ventures or associate companies during the year and hence reporting on clause 3(ix) (f) of the order is not applicable.
- (x)(a) According to information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer or private placement of share or convertible debentures. Accordingly, para (x)(a) of the order is not applicable.
- (b) 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.

- (xi)(a) 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;
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, No report under sub-section (12) of section 143 of the of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies Audit and Auditors)Rules, 2014 with the Central Government; Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company;
- (c) To the best of our knowledge and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para (xii) of the order is not applicable to the Company.
- (xiii) 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)(a) In our opinion and according to the information and explanation given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) 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 in term of section 192 of Act. Accordingly, para (xv) of the order is not applicable.
- (xvi)(a) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a),(b) and (c) of the order is not applicable.
- (b) Based on the information and explanations provided by the management of the Company. there is not more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and based on our examination of the records of the company and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the order is not applicable for the year.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of the standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Mehrotra & Mehrotra**  
Chartered Accountants  
Firm Registration No.: 000226C

CA Sanjay K. Rai  
Partner

Place: Lucknow  
Date: 21.05.2024

M. No.: 507946  
UDIN:24507946BKFXDC6684



## 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 KM Sugar Mills Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management 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 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.

#### 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 explanations 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 31 March 2024, 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 **Mehrotra & Mehrotra**  
Chartered Accountants  
Firm Registration No.: 000226C

CA Sanjay K. Rai  
Partner

Place: Lucknow  
Date: 21.05.2024

M. No.: 507946  
UDIN:24507946BKFDC6684

# Standalone Balance Sheet for the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Notes No.	As at 31st March, 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>(1) Non current assets</b>			
(a) Property, plant and equipment	3	16,058.21	16,325.41
(b) Capital work in progress	3A	1,175.51	453.18
(c) Intangible assets	3B	3.83	3.71
(d) Right-of-use-assets	3C	4,866.57	5,113.64
(e) Financial assets			
(i) Investments	4	7,591.13	6,295.67
(ii) Loans	5	1,037.61	957.65
(iii) Other financial assets	6	618.15	744.92
(f) Non current tax assets (net)	7	167.67	338.15
(g) Other non current assets	8	1,997.96	2,026.72
<b>Total non current assets</b>		<b>33,516.64</b>	<b>32,259.05</b>
<b>(2) Current assets</b>			
(a) Inventories	9	38,398.93	35,314.90
(b) Financial assets			
(i) Investments	10	0.03	0.02
(ii) Trade and other receivables	11	2,933.27	604.07
(iii) Cash and cash equivalents	12	726.61	585.50
(iv) Bank balances other than cash and cash equivalents	12A	385.33	47.38
(v) Loans	13	870.00	450.00
(vi) Other financial assets	14	10.05	43.05
(c) Other current assets	15	1,081.73	1,028.76
<b>Total current assets</b>		<b>44,405.95</b>	<b>38,073.68</b>
<b>Total assets</b>		<b>77,922.59</b>	<b>70,332.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	16	1,840.00	1,840.00
(b) Other equity	17	28,481.17	25,686.41
<b>Total equity</b>		<b>30,321.17</b>	<b>27,526.41</b>
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	2,805.49	5,023.57
(ii) Lease liability	19	-	0.64
(iii) Other financial liabilities	20	51.44	72.73
(b) Other non current liabilities	21	14.50	43.98
(c) Deferred tax liabilities (net)	22	782.01	733.29
(d) Provisions	23	489.02	481.40
<b>Total non current liabilities</b>		<b>4,142.46</b>	<b>6,355.61</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	26,307.05	21,755.53
(ii) Lease liability	19	-	7.31
(iii) Trade and other payables	25	15,460.80	13,004.98
(iv) Other financial liabilities	26	1,115.23	1,129.35
(b) Other current liabilities	27	499.83	464.09
(c) Current Tax liability (net)	7	-	-
(d) Provisions	23	76.05	89.45
<b>Total current liabilities</b>		<b>43,458.96</b>	<b>36,450.71</b>
<b>Total equity and liabilities</b>		<b>77,922.59</b>	<b>70,332.73</b>

## Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 38 form an integral part of standalone financial statements

As per our report of even date attached

For Mehrotra & Mehrotra  
Chartered Accountants  
F.R. No 0226C

For and on behalf of Board of Directors

CA. Sanjay K. Rai  
Partner  
M.No.507946

S. C. Agarwal  
Executive Director  
(DIN-02461954)

A. K. Gupta  
Chief Financial Officer

Aditya Jhunjhunwala  
Managing Director  
(DIN-01686189)

Pooja Dua  
Company Secretary  
(M. No. A50996)

Place : Lucknow  
Date : 21st May, 2024

## Standalone statement of Profit and Loss for the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>I Revenue From Operations</b>	28	65,715.93	57,552.55
II Other Income	29	849.05	1,136.49
<b>III Total Income (I+II)</b>		<b>66,564.98</b>	<b>58,689.04</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	30	51,513.78	39,892.98
Purchase of stock in trade	31	46.00	177.67
Changes in inventories of finished goods, by-products and work-in-progress	32	(3,007.29)	3,160.29
Employee benefit expenses	33	2,030.49	1,800.09
Finance costs	34	1,654.28	1,385.16
Depreciation and amortisation expenses	35	2,259.08	1,587.34
Other expenses	36	8,157.57	7,552.33
<b>Total expenses</b>		<b>62,653.91</b>	<b>55,555.86</b>
V Profit/(loss) before exceptional items and tax (III-IV)		3,911.07	3,133.18
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>3,911.07</b>	<b>3,133.18</b>
<b>VIII Tax expenses :</b>	37		
Current tax		1,045.00	724.32
Tax expense of earlier year		2.64	(2.17)
Deferred tax		54.29	89.65
		<b>1,101.93</b>	<b>811.80</b>
<b>IX Profit (Loss) for the period (VII-VIII)</b>		<b>2,809.14</b>	<b>2,321.38</b>
<b>X Other Comprehensive Income :</b>			
(i) Items that will not be reclassified to profit and loss :			
Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation		(18.84)	(44.17)
Gain / (Loss) arising on fair valuation of equity instruments		(4.14)	3.67
(ii) Income tax relating to items that will not be reclassified to profit and loss		5.57	11.85
		<b>(17.41)</b>	<b>(28.65)</b>
<b>XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>2,791.73</b>	<b>2,292.73</b>
<b>XII Earnings per equity share ( Equity share of Rs. 2/- each)</b>			
(1) Basic		<b>3.05</b>	<b>2.52</b>
(2) Diluted		<b>3.05</b>	<b>2.52</b>

### Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 38 form an integral part of standalone financial statements

As per our report of even date attached

**For Mehrotra & Mehrotra**  
Chartered Accountants  
F.R. No 0226C

For and on behalf of Board of Directors

**CA. Sanjay K. Rai**  
Partner  
M.No.507946

**S. C. Agarwal**  
Executive Director  
(DIN-02461954)

**A. K. Gupta**  
Chief Financial Officer

**Aditya Jhunjhunwala**  
Managing Director  
(DIN-01686189)

**Pooja Dua**  
Company Secretary  
(M. No. A50996)

Place : Lucknow  
Date : 21st May, 2024

## Standalone Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>A.</b>	<b>Cash flow from operating activities</b>				
	<b>Profit before tax</b>		<b>3,911.07</b>		<b>3,133.18</b>
	<i>Adjustment to reconcile profit before tax to net cash flow provided by operating activities:</i>				
	Depreciation and amortisation expense	2,259.08		1,587.34	
	Finance costs	1,654.28		1,385.16	
	Transfer to storage fund for molasses	3.03		2.69	
	Provision/(reversal) of doubtful debts	(0.70)		(1.03)	
	Balances written off	7.97		0.54	
	Interest Income	(412.55)		(331.79)	
	Government Grant	(118.58)		(118.26)	
	Fair valuation on investment and others	(4.61)		(258.69)	
	Loss/(Profit) on sale of property, plant and equipments	97.08		(12.17)	
	Unspent liabilities/balances written back	(51.92)		(252.16)	
	Other measurement income	(32.88)		(35.01)	
	Other measurement expenses	22.52		19.36	
	Remeasurement of defined benefit obligation	(18.84)	<b>3,403.88</b>	(44.17)	<b>1,941.81</b>
	<b>Operating Profit before working capital changes</b>		<b>7,314.95</b>		<b>5,074.99</b>
	<i>Adjustment to reconcile operating profit to cash flow provided by change in working capital</i>				
	(Increase)/Decrease in trade and other receivables	(2,329.20)		887.25	
	(Increase) / Decrease in inventories	(3,084.03)		3,021.33	
	(Increase) / Decrease in Current & Non current Assets	(88.83)		333.29	
	(Increase) / Decrease in financial Assets	(678.14)		(698.89)	
	Increase / (Decrease) in trade payables & Others	2,455.82		(428.37)	
	Increase / (Decrease) in current & non current liabilities	176.76		228.40	
	Increase / (Decrease) in other financial liabilities	(8.39)		(107.98)	
	Increase / (Decrease) in provisions	(5.78)		57.59	
			<b>(3,561.79)</b>		<b>3,292.62</b>
	<b>Cash generated from operations</b>		<b>3,753.16</b>		<b>8,367.61</b>
	Tax expense		(877.15)		(1,062.74)
	<b>Net cash generated from operating activities (A)</b>		<b>2,876.01</b>		<b>7,304.87</b>
<b>B.</b>	<b>Cash Flow from investing activities</b>				
	Addition to property, plant and equipment (including capital work in progress) (Net)	(2,583.71)		(7,592.76)	
	Proceed from Sale of property, plant and equipment	15.82		12.17	
	Investment in equity and other (Net)	(1,295.00)		(3,075.02)	
	Interest income received	447.37	<b>(3,415.52)</b>	112.73	<b>(10,542.88)</b>
	<b>Net cash used in investing activities (B)</b>				

## Standalone Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>C.</b>	<b>Cash flow from financing activities</b>				
	Proceed/(Repayments) of long term borrowings	(2,679.29)		3,516.89	
	Proceeds/(Repayments) of short term borrowings	4,977.23		765.40	
	Finance cost paid	(1,617.32)	<b>680.62</b>	(1,301.15)	<b>2,981.14</b>
	<b>Net cash from financing activities (C)</b>				
	<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>		<b>141.11</b>		<b>(256.87)</b>
<b>D.</b>	<b>Opening cash and cash equivalents</b>		585.50		842.37
<b>E.</b>	<b>Closing cash and cash equivalents for the purpose of</b>		<b>726.61</b>		<b>585.50</b>
	<b>Increase in cash &amp; cash equivalents (D-E)</b>		<b>141.11</b>		<b>(256.87)</b>

### 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	5.34	4.33
Cheque on hand	-	0.23
Balances with Banks	100.42	129.33
Fixed deposit with Bank original maturity upto 3 months	620.85	451.61
<b>Supplementary Information</b>	<b>726.61</b>	<b>585.50</b>

- Restricted Cash Balance (NOTE 12A)\*

\* amount not included in cash and cash equivalent

As per our report of even date attached

**For Mehrotra & Mehrotra**

Chartered Accountants

F.R. No 0226C

**CA. Sanjay K. Rai**

Partner

M.No.507946

Place : Lucknow

Date : 21st May, 2024

**For and on behalf of Board of Directors**

**S. C. Agarwal**

Executive Director

(DIN-02461954)

**A. K. Gupta**

Chief Financial Officer

**Aditya Jhunhunwala**

Managing Director

(DIN-01686189)

**Pooja Dua**

Company Secretary

(M. No. A50996)



## Standalone Statement of change in equity for the year ended 31st March, 2024

### (a) Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2024	Change during the year	As at 31st March, 2023	Change during the year	As at 31st March, 2022
Balance of Equity Share Capital	1,840.00	-	1,840.00	-	1,840.00
	1,840.00	-	1,840.00	-	1,840.00

### (b) Other equity

(Rs. in lakhs)

Description	General 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, 2022	1,179.90	24.86	12.40	2,688.01	13,579.85	6,069.94	(89.64)	(74.33)	23,390.99
Profit for the period	-	-	-	-	2,321.38	-	-	-	2,321.38
Other Comprehensive Income	-	-	-	-	-	-	4.40	(33.05)	(28.65)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Transfer to Molasses Fund	-	2.69	-	-	-	-	-	-	2.69
Transfer to retained earning	-	-	-	-	1.01	(1.01)	-	-	-
<b>As at 31st March, 2023</b>	<b>1,179.90</b>	<b>27.55</b>	<b>12.40</b>	<b>2,688.01</b>	<b>15,902.24</b>	<b>6,068.93</b>	<b>(85.24)</b>	<b>(107.38)</b>	<b>25,686.41</b>
Profit for the period	-	-	-	-	2,809.14	-	-	-	2,809.14
Other Comprehensive Income	-	-	-	-	-	-	(3.31)	(14.10)	(17.41)
<b>Total Comprehensive Income</b>	<b>1,179.90</b>	<b>27.55</b>	<b>12.40</b>	<b>2,688.01</b>	<b>18,711.38</b>	<b>6,068.93</b>	<b>(88.55)</b>	<b>(121.48)</b>	<b>28,478.14</b>
Transfer to Molasses Fund	-	3.03	-	-	-	-	-	-	3.03
Transfer to retained earning	-	-	-	-	0.85	(0.85)	-	-	-
<b>As at March 31, 2024</b>	<b>1,179.90</b>	<b>30.58</b>	<b>12.40</b>	<b>2,688.01</b>	<b>18,712.23</b>	<b>6,068.08</b>	<b>(88.55)</b>	<b>(121.48)</b>	<b>28,481.17</b>

As per our report of even date attached

For Mehrotra & Mehrotra  
Chartered Accountants  
F.R. No 0226C

CA. Sanjay K. Rai  
Partner  
M.No.507946

Place : Lucknow  
Date : 21st May, 2024

For and on behalf of Board of Directors

S. C. Agarwal  
Executive Director  
(DIN-02461954)

A. K. Gupta  
Chief Financial Officer

Aditya Jhunjhunwala  
Managing Director  
(DIN-01686189)

Pooja Dua  
Company Secretary  
(M. No. A50996)

## 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.

### 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 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.

The estimated useful lives considered are as follows:

Category	31st March, 2024
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

## 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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. For this purpose, cost includes carrying value as Deemed cost on the date of transition.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the statement of profit and loss.

Intangible assets: Computer software is amortized over a period of three years and brand development is amortized over a period of five 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.

## 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
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.

#### A. 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).



## Notes forming part of Standalone Financial Statement

### 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.

### B. Financial liabilities

#### Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

#### Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method or at FVTPL.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Derecognition of financial liabilities:

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when, and only when the obligation specified in the contract is discharged or cancelled or expires.

### C. Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 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

## Notes forming part of Standalone Financial Statement

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 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 is 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

## Notes forming part of Standalone Financial Statement

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.

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

- (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.

## Notes forming part of Standalone Financial Statement

- (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.

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.

### 2.26 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

## Notes forming part of Standalone Financial Statement

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.

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 Mehrotra & Mehrotra

Chartered Accountants

F.R. No 0226C

### CA. Sanjay K. Rai

Partner

M.No.507946

Place : Lucknow

Date : 21st May, 2024

### 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)



## Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2024

### Note 3: Property, Plant and Equipment

(Rs. in lakhs)

Particulars	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
<b>Gross Block</b>								
Balance as at 1st April,22	930.78	1,356.55	29,134.11	521.94	1,076.29	154.84	124.92	33,299.43
Additions	-	61.48	7,043.70	30.15	0.08	8.90	4.92	7,149.23
Disposal/Deduction	-	-	15.00	(1.10)	-	0.35	-	14.25
<b>Balance as at 31st March,23</b>	<b>930.78</b>	<b>1,418.03</b>	<b>36,162.81</b>	<b>553.19</b>	<b>1,076.37</b>	<b>163.39</b>	<b>129.84</b>	<b>40,434.41</b>
Additions	-	12.72	1,813.21	23.23	-	7.92	2.91	1,859.99
Fair valuation	-	-	-	-	-	-	-	-
Disposal/Deduction/Adjustment	-	-	979.09	-	2.92	-	-	982.01
<b>Balance as at 31st March,24</b>	<b>930.78</b>	<b>1,430.75</b>	<b>36,996.93</b>	<b>576.42</b>	<b>1,073.45</b>	<b>171.31</b>	<b>132.75</b>	<b>41,312.39</b>
<b>Accumulated depreciation</b>								
Balance as at 1st April,22	-	837.80	20,421.86	419.22	863.02	129.20	112.76	22,783.86
Depreciation for the year	-	58.93	1,166.62	31.32	64.13	11.32	7.07	1,339.39
Depreciation due to obsolescence	-	-	-	-	-	-	-	-
Disposal/Deduction	-	-	14.25	-	-	-	-	14.25
<b>Balance as at 31st March,23</b>	<b>-</b>	<b>896.73</b>	<b>21,574.23</b>	<b>450.54</b>	<b>927.15</b>	<b>140.52</b>	<b>119.83</b>	<b>24,109.00</b>
Depreciation for the year	-	116.89	1,808.02	30.40	43.26	10.44	5.26	2,014.27
Amortisation (due to depletion in value)	-	-	-	-	-	-	-	-
Disposal/Deduction	-	-	866.31	-	2.78	-	-	869.09
<b>Balance as at 31st March,24</b>	<b>-</b>	<b>1,013.62</b>	<b>22,515.94</b>	<b>480.94</b>	<b>967.63</b>	<b>150.96</b>	<b>125.09</b>	<b>25,254.18</b>

### Net Carrying amount - Property, Plant and Equipment

Net Carrying Amount	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
As at 31st March, 2023	930.78	521.30	14,588.58	102.65	149.22	22.87	10.01	16,325.41
<b>As at 31st March, 2024</b>	<b>930.78</b>	<b>417.13</b>	<b>14,480.99</b>	<b>95.48</b>	<b>105.82</b>	<b>20.35</b>	<b>7.66</b>	<b>16,058.21</b>

The title deeds of all immovable properties are held in the name of the Company.

## Notes forming part of Standalone Financial Statement as at 31st March, 2024

### Note 3A Capital work in progress

(Rs. in lakhs)

Description	Amount
<b>Balance as at 01st April, 2022</b>	<b>24.55</b>
Additions	7,274.15
Capitalisation	6,845.52
<b>Balance as at 31st March, 2023</b>	<b>453.18</b>
Additions	2,379.54
Capitalisation	1,657.21
<b>Balance as at 31st March, 2024</b>	<b>1,175.51</b>

Refer note no. 38.26 for ageing

### Note 3B Intangible Assets

(Rs. in lakhs)

Description	Amount
<b>Gross carrying amount as at 01st April, 2022</b>	<b>35.37</b>
Additions	0.70
Deductions	-
<b>Balance as at 31st March, 2023</b>	<b>36.07</b>
Additions	1.39
Deductions	-
<b>Balance as at 31st March, 2024</b>	<b>37.46</b>
<b>Accumulated depreciation as at 01st April, 2022</b>	<b>30.80</b>
Depreciation for the year	1.56
Deductions	-
<b>Balance as at 31st March, 2023</b>	<b>32.36</b>
Depreciation for the year	1.27
<b>Balance as at 31st March, 2024</b>	<b>33.63</b>
<b>Net carrying amount</b>	
<b>As at 31st March, 2023</b>	<b>3.71</b>
<b>As at 31st March, 2024</b>	<b>3.83</b>

## Notes forming part of Standalone Financial Statement

### Note 3C Right-of-use-assets

(Rs. in lakhs)

Description	Amount
<b>Gross carrying amount as at 01st April, 2022</b>	<b>6,063.97</b>
Additions	14.21
Deductions	7.02
<b>Balance as at 31st March, 2023</b>	<b>6,071.16</b>
Additions	-
Deductions	7.69
<b>Balance as at 31st March, 2024</b>	<b>6,063.47</b>
<b>Accumulated depreciation as at 01st April, 2022</b>	<b>718.14</b>
Depreciation for the year	246.39
Deductions	7.01
<b>Balance as at 31st March, 2023</b>	<b>957.52</b>
Depreciation for the year	243.54
Deductions	4.16
<b>Balance as at 31st March, 2024</b>	<b>1,196.90</b>
<b>Net carrying amount</b>	
<b>As at 31st March, 2023</b>	<b>5,113.64</b>
<b>As at 31st March, 2024</b>	<b>4,866.57</b>

\* Refer note no.38.25

### Note 4 Non-current Investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(i) Equity Instruments</b>		
<b>(1) Measured at cost</b>		
<b>Unquoted</b>		
<b>In equity shares of companies fully paid up</b>		
<b>Subsidiary company</b>		
50,000 shares having face value of Rs. 10 each in KM Sprits and Allied Industries Ltd.	5.00	5.00
<b>(2) Designated at Fair Value through other comprehensive income</b>		
<b>Unquoted</b>		
(a) 1,000 shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd.	0.10	0.10
(b) 25,000 shares having face value Rs.10 each in K.M Shakar Karkhana Pvt Ltd.	-	4.14
(c) 2,000 shares having face value of Rs. 10 each in HH Foundation	-	-
(d) 10,90,000 shares having face value of Rs. 10 each in Sonar Casting Ltd.	-	-
<b>(ii) Preference share (Measured at amortised cost)</b>		
<b>In 12.50% Non-cumulative redeemable preference shares fully paid up</b>		
4,58,50,000 (3,29,00,000) Preference Shares having face value of Rs.10 each in Sonar Casting Ltd.	4,585.00	3,290.00
<b>In 9% Non-cumulative redeemable preference shares fully paid up</b>		
(a) 38,50,000 preference shares having face value of Rs. 10 each in Brahma Properties Pvt. Ltd.	345.46	343.09
(b) 33,89,215 preference shares having face value of Rs. 10 each in K M Energy Pvt. Ltd.	305.57	303.34

## Notes forming part of Standalone Financial Statement

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(iii) In 8% Optionally fully convertible debenture fully paid up</b>		
<b>Measured at cost</b>		
2,350 (2,350) Optionally fully convertible Debenture with face Value of Rs.1,00,000 each in K M Strategic Investments & Holdings Pvt. Ltd.	2,350.00	2,350.00
<b>Total</b>	<b>7,591.13</b>	<b>6,295.67</b>
Aggregate carrying value of unquoted investments	7,591.13	6,295.67
Aggregate fair value of unquoted investments	7,591.13	6,295.67

### Note 5 Non-current Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Carried at cost</b>		
Unsecured considered good		
Loan to a related party	1,037.61	957.65
<b>Total</b>	<b>1,037.61</b>	<b>957.65</b>

### Note 6 Other non-current financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good:		
Security deposits	342.85	341.60
<b>Fixed deposit with banks</b>		
Original maturity more than 12 months	14.50	14.50
<b>Fixed deposit (Earmarked)</b>		
Original maturity more than 12 months *	252.11	382.74
For molasses storage fund maturing after 12 months	5.50	-
Interest accrued on fixed deposits with banks	3.19	6.08
<b>Total</b>	<b>618.15</b>	<b>744.92</b>

\*Held with banks and Government departments

### Note 7 Non current Tax Asset/(Liability) ( Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Tax	1,133.44	996.95
TDS and TCS Receivable	79.23	65.52
	1,212.67	1,062.47
Less:- Provision for Income Tax for current year	1,045.00	724.32
<b>Total</b>	<b>167.67</b>	<b>338.15</b>

## Notes forming part of Standalone Financial Statement

### Note 8 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Unsecured, considered good:				
Capital advances		1,909.16		1,920.62
Advance to suppliers and others				
Considered Good				
Considered doubtful	42.85		43.55	
Less: Allowance for doubtful advance	42.85	-	43.55	-
Others		3.01		2.50
Duties and Taxes Paid under protest		1.34		1.34
Prepaid Expenses		84.45		102.26
<b>Total</b>		<b>1,997.96</b>		<b>2,026.72</b>

### Note 9 Inventories

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(As taken, valued and certified by the Management)</b>		
(a) Raw materials	4.34	3.02
(b) Finished Goods *	37,098.06	33,927.79
(c) Work in progress	592.90	755.88
(d) Stores and spares	703.63	628.21
<b>Total</b>	<b>38,398.93</b>	<b>35,314.90</b>

(Refer Note No. 2.7 for Method of Valuation)

### Note 10 Current Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Designated at fair value through OCI</b>		
Investment in SBI Mutual Fund	0.03	0.02
200.00 (Previous year 200.00) units of SBI Balanced Advantage Fund		
<b>Total</b>	<b>0.03</b>	<b>0.02</b>

### Note 11 Trade and other receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured, considered good:</b>		
<b>Trade receivables</b>		
Includes unbilled revenue of Rs.144.13 lakhs (previous year Rs.232.36 Lakhs)	2,933.27	604.07
Credit impaired	15.94	15.94
	<b>2,949.21</b>	<b>620.01</b>
Less:- Allowance for doubtful debts	15.94	15.94
<b>Total</b>	<b>2,933.27</b>	<b>604.07</b>

Refer note no. 38.28 for ageing schedule. Includes receivable Rs.2225.41 lakhs from related party(s) (Previous year Rs.130.21)



## Notes forming part of Standalone Financial Statement

### Note 12 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks	100.42	129.33
Fixed deposit with Bank original maturity upto 3 months	620.85	451.61
Cheques on Hand	-	0.23
Cash on hand*	5.34	4.33
<b>Total</b>	<b>726.61</b>	<b>585.50</b>

\*As certified by the management

### Note 12A Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Fixed deposits with banks (Earmarked)</b>		
Pledged with bank maturing within 12 months	208.34	-
Pledged with bank for bank guarantee maturing within 12 months*	107.98	8.74
For security with Government authorities maturing within 12 months*	41.24	12.39
For molasses storage fund original maturity period upto 12 months**	26.46	24.94
Unpaid dividend accounts	1.31	1.31
<b>Total</b>	<b>385.33</b>	<b>47.38</b>

\*Held with banks and Government departments

\*\* As per Uttar Pradesh State Molasses Control Rules, 1974

### Note 13 Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
<b>Loans and advances</b>		
Loan to a related party	870.00	450.00
<b>Total</b>	<b>870.00</b>	<b>450.00</b>

### Note 14 Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Interest accrued on fixed deposits with banks	10.05	4.05
Other receivable	-	39.00
<b>Total</b>	<b>10.05</b>	<b>43.05</b>

## Notes forming part of Standalone Financial Statement

### Note 15 Other current assets

(Rs. in lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Unsecured, considered good unless stated otherwise				
Security Deposit				
Unsecured, considered good	26.87		84.90	
Credit impaired	16.00		16.00	
	42.87		100.90	
Less: Allowance for expected credit loss	16.00	26.87	16.00	84.90
Interest receivable from related parties		118.81		156.84
GST and other taxes receivable		155.38		126.45
Advance to employees		15.99		15.11
Advances for supply of goods & services		89.04		181.61
Prepaid Expenses		353.04		284.45
CSR Pre-Spent*		219.00		179.00
Others		103.60		0.40
<b>Total</b>		<b>1,081.73</b>		<b>1,028.76</b>

\*Refer note no. 38.12

### Note 16 Equity Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount Rs. in lakhs	No. of shares	Amount Rs. in lakhs
<b>Authorised</b>				
Equity Shares of Rs. 2/- each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity Shares of Rs. 2/- each	9,20,00,170	1,840.00	9,20,00,170	1,840.00

### Reconciliation of number and amount of shares outstanding

(Rs. in lakhs)

Particulars	No. of shares	Amount Rs. in lakhs	No. of shares	Amount Rs. in lakhs
At the beginning of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00
Change during the year	-	-	-	-
Outstanding at the end of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00

#### i) 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 Rs. 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.

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 dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes forming part of Standalone Financial Statement

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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	1,43,02,600	15.55
L. K. Jhunjhunwala (HUF)	1,00,65,900	10.94	1,00,65,900	10.94
Mr. Aditya Jhunjhunwala	52,89,242	5.75	52,89,242	5.75
Marvel Business Pvt. Ltd.	1,20,65,975	13.12	1,20,65,975	13.12

Refer note no.38.30 for details of shares held by promoter and promoter group of the Company

### Note 17 Other equity

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>General Reserve</b>		
Opening balance	1,179.90	1,179.90
Add: Changes during the year	-	-
<b>Closing balance</b>	<b>1,179.90</b>	<b>1,179.90</b>
<b>Molasses Storage Fund</b>		
Opening balance	27.55	24.86
Add: Changes during the year	3.03	2.69
<b>Closing balance</b>	<b>30.58</b>	<b>27.55</b>
<b>Sugar Price Equalisation Reserve</b>		
Opening balance	12.40	12.40
Add: Changes during the year	-	-
<b>Closing balance</b>	<b>12.40</b>	<b>12.40</b>
<b>Securities Premium Account</b>		
Opening balance	2,688.01	2,688.01
Add: Changes during the year	-	-
<b>Closing balance</b>	<b>2,688.01</b>	<b>2,688.01</b>
<b>Retained Earnings</b>		
Opening balance	15,902.24	13,579.85
Add: Profit/ Loss during the year	2,809.14	2,321.38
Add: Transfer from Other Comprehensive Income	0.85	1.01
<b>Closing balance</b>	<b>18,712.23</b>	<b>15,902.24</b>
<b>Comprehensive Income</b>		
Opening balance	5,876.31	5,905.97
Add: Changes during the year	(17.41)	(28.65)
Less: Transfer to Retained Earnings	(0.85)	(1.01)
<b>Closing balance</b>	<b>5,858.05</b>	<b>5,876.31</b>
<b>Total</b>	<b>28,481.17</b>	<b>25,686.41</b>

- i. General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act 1956, it was mandatory to transfer amount before a company can declare dividend, however Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- ii. The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to Rs.31.96 lakhs (Previous year: Rs.24.94 lakhs). [Refer Note No.6 and 12A].
- iii. Sugar Price Equalisation Reserve: Refer note no.38.13
- iv. Securities premium: securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write off equity related expenses like underwriting cost etc.
- v. Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.
- vi. Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation, gain or loss on equity investments and revaluation of fixed assets in earlier years prior to compliance of Ind AS and revaluation of land.

#### Note 18 Long term borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non current	Current	Non current
<b>Secured term loans from banks</b>				
State Bank of India-U.P Govt. SEFASU Loan (At amortised cost)	237.69	-	955.19	202.18
State Bank of India GECL 2.0	499.73	409.69	499.73	955.94
Punjab National Bank Car Loan	-	-	20.71	11.29
State Bank of India Term Loan	833.33	833.30	833.33	1,666.66
HDFC Term Loan	625.00	1,562.50	312.50	2,187.50
<b>Total</b>	<b>2,195.75</b>	<b>2,805.49</b>	<b>2,621.46</b>	<b>5,023.57</b>

#### Details of securities offered

- (1) 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.
- (2) 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.
- (3) Rupee Term Loan of State Bank of India and HDFC Bank are secured by exclusive first charge on refinery assets and pari passu 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 a director.

#### Terms of Repayment

(Rs. in lakhs)

Name of the banks / entities	Interest Rate (%)	Amount Outstanding as on 31, March, 2024		Period of maturity as at 31st March, 2024	No. and amount of instalment outstanding
		Current	Non Current		
SBI SEFASU Loan-2018*	5.00	238.77	-	2 months and 3 days	03 monthly instalments of Rs.79.60 lakhs
SBI GECL	8.60	499.73	409.69	1 years 9 months	21 monthly instalment of Rs.45.52 lakhs
SBI Tem Loan	8.85	833.33	833.30	2 years	24 monthly instalment of Rs.69.45 lakhs
HDFC Tem Loan	8.66	625.00	1,562.50	3 years and 6 months	14 Quarterly instalment of Rs.156.25 lakhs
<b>Total</b>		<b>2,196.83</b>	<b>2,805.49</b>		

## Notes forming part of Standalone Financial Statement

\* Excluding Rs.1.08 lakhs (Previous year Rs.36.58 lakhs) on account of effective interest rate adjustment being taken to deferred income.

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.

### Note 19 Lease Liability

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non current	Current	Non current
Lease Liability	-	-	7.31	0.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.31</b>	<b>0.64</b>

### Note 20 Other non current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Corporate Guarantees issued	51.44	72.73
<b>Total</b>	<b>51.44</b>	<b>72.73</b>

### Note 21 Other non current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Government Grant	-	29.48
Other payable	14.50	14.50
<b>Total</b>	<b>14.50</b>	<b>43.98</b>

### Note 22 Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Deferred Tax Liabilities</b>		
Depreciation	1,082.06	1,054.49
<b>Total A</b>	<b>1,082.06</b>	<b>1,054.49</b>
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	98.66	97.03
Others	201.39	224.17
<b>Total B</b>	<b>300.05</b>	<b>321.20</b>
<b>Total A-B</b>	<b>782.01</b>	<b>733.29</b>

\*Refer Note 37

### Note 23 Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non current	Current	Non current
Provisions for employees benefits*				
Unavailed leave	22.72	37.17	17.90	29.55
Gratuity	53.33	-	71.55	-
Other Provision **	-	451.85	-	451.85
<b>Total</b>	<b>76.05</b>	<b>489.02</b>	<b>89.45</b>	<b>481.40</b>

\* Refer note no.38.4

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



## Notes forming part of Standalone Financial Statement

### Note 24 Short Term borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured</b>		
<b>Loan payable on demand</b>		
Working capital loans from banks		
State Bank of India	11,719.31	8,227.81
Punjab National Bank	4,483.73	2,980.61
HDFC Bank Ltd.	5,923.97	5,934.89
Yes Bank Ltd.	1,984.29	1,990.76
Current maturities of long term borrowings*	2,195.75	2,621.46
<b>Total</b>	<b>26,307.05</b>	<b>21,755.53</b>

\* Refer note no.18 for nature of securities and terms of repayment respectively.

### Summary of short term borrowings

Secured borrowings.

### Nature of Securities

Working capital loans from State Bank of India, Punjab National Bank, HDFC Bank Ltd. and Yes bank Ltd. are 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 and 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 two Directors.

### Note 25 Trade and other payables

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Trade payable</b>		
Payable to Micro and small enterprises*	233.86	113.47
Payable to other than Micro and small enterprises	14,952.28	12,461.47
<b>Other payables-Suppliers of capital goods</b>		
Payable to Micro and small enterprises*	45.61	24.41
Payable to other than Micro and small enterprises	229.05	405.63
<b>Total</b>	<b>15,460.80</b>	<b>13,004.98</b>

\* Refer note no.38.7

Refer note no.38.29 for ageing schedule

### Note 26 Other current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on borrowings	1.01	5.09
Interest accrued and due on borrowings	23.65	18.11
Security Deposit	277.30	248.25
Salary and other payables to employees	209.20	247.13
Unpaid dividend	1.31	1.31
Outstanding liability of related party	280.39	268.44
Corporate guarantee	21.28	23.66
Other payable *	301.09	317.36
<b>Total</b>	<b>1,115.23</b>	<b>1,129.35</b>

\* Include liability of Rs.237.95 lakhs for lower supply of country liquor etc.

## Notes forming part of Standalone Financial Statement

### Note 27 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory liabilities	305.52	162.54
Deferred government grant	29.48	118.58
Advances from customers	164.83	182.97
<b>Total</b>	<b>499.83</b>	<b>464.09</b>

### Note 28 Revenue from operations

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Sale of goods</b>		
Sugar	54,757.58	49,184.79
Molasses	22.80	110.34
Bagasse	2,939.08	877.37
Industrial alcohol	6,148.15	4,186.11
Power	288.09	882.74
Others	1,560.23	1,432.15
<b>Total A</b>	<b>65,715.93</b>	<b>56,673.50</b>
<b>Other operating revenue*</b>		
Export quota sale	-	879.05
Assistance on sugar quota export	-	-
<b>Total B</b>	<b>-</b>	<b>879.05</b>
<b>Total revenue from operations Total (A+B)</b>	<b>65,715.93</b>	<b>57,552.55</b>

\* Refer Note No. 38.20

### Note 29 Other income

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Interest income</b>		
From Banks and others	412.55	331.79
On income tax refund	11.72	-
Deferred Government Grant*	118.58	118.26
<b>Other non operating income</b>		
Insurance claims	137.25	26.09
Profit on sale of fixed assets	12.40	12.17
Unspent liabilities/balances written back	51.92	252.16
Miscellaneous income	61.13	99.40
Gain on mutual funds	0.01	1.13
Drawback receipt	5.31	-
Reversal of provision for doubtful ""debts/Advances	0.70	1.03
Others**	32.88	35.01
Fair valuation of financial instrument	4.60	259.45
<b>Total</b>	<b>849.05</b>	<b>1,136.49</b>

\* Refer Note No. 38.11

\*\* Measurement of Guarantee commission

## Notes forming part of Standalone Financial Statement

### Note 30 Cost of materials consumed

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Sugar cane	51,513.78	39,882.41
Bagasse	-	10.57
<b>Total</b>	<b>51,513.78</b>	<b>39,892.98</b>

### Note 31 Purchase of stock in trade

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Other	46.00	177.67
<b>Total</b>	<b>46.00</b>	<b>177.67</b>

### Note 32 Changes in inventories of finished goods, by-products and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Finished goods</b>		
<b>Opening stock</b>		
Sugar	30,616.83	35,735.86
Molasses	1,045.65	1,177.84
Bagasse	1,640.50	94.37
Industrial alcohol	533.20	260.45
Banked Power	58.23	42.62
Others	33.38	9.86
<b>Total (a)</b>	<b>33,927.79</b>	<b>37,321.00</b>
<b>Less : Closing stock</b>		
Sugar	33,947.34	30,616.83
Molasses	1,418.71	1,045.65
Bagasse	1,063.35	1,640.50
Industrial alcohol	527.19	533.20
Banked Power	132.26	58.23
Others	9.21	33.38
<b>Total (b)</b>	<b>37,098.06</b>	<b>33,927.79</b>
<b>Total (a-b)</b>	<b>(3,170.27)</b>	<b>3,393.21</b>
<b>Work-in-progress</b>		
Opening stock	755.88	522.96
Less : Closing stock	592.90	755.88
	<b>162.98</b>	<b>(232.92)</b>
<b>(Increase)/Decrease in Inventories (Total)</b>	<b>(3,007.29)</b>	<b>3,160.29</b>

## Notes forming part of Standalone Financial Statement

### Note 33 Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salary, wages, bonus and other payments	1,841.95	1,604.99
Contribution to provident fund and other funds	111.55	111.69
Workmen and staff welfare expenses	37.98	51.15
Gratuity expense	39.01	32.26
<b>Total</b>	<b>2,030.49</b>	<b>1,800.09</b>

### Note 34 Finance costs

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Interest expenses</b>		
Cash credit	1,010.93	822.02
Term loan	565.78	426.73
Others	4.82	41.17
<b>Other borrowing costs</b>	72.75	95.24
<b>Total</b>	<b>1,654.28</b>	<b>1,385.16</b>

### Note 35 Depreciation and amortisation expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation		
Depreciation of property, plant & equipments	2,014.27	1,339.39
Amortisation		
Amortisation of intangible assets	1.27	1.56
Amortisation of right to use assets	243.54	246.39
<b>Total</b>	<b>2,259.08</b>	<b>1,587.34</b>

## Notes forming part of Standalone Financial Statement

### Note 36 Other Expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Consumption of stores and spare parts	711.36	670.16
Packing materials	1,165.71	1,111.76
Power and fuel	296.55	320.08
Rent	221.95	246.73
Repairs to :		
Buildings	98.79	115.67
Plant & Machinery	1,767.91	1,537.96
Others	291.40	270.10
Insurance	138.68	122.96
Rates and taxes	335.09	302.00
Selling expenses :		
Commission to selling agents	223.36	204.79
Other selling expenses	891.48	599.65
Payments to auditors :		
Audit fee (including Limited review fee)	10.50	5.00
Tax audit fee	1.50	1.00
Reimbursement of expenses	1.67	0.55
Charity and donation	2.71	2.62
Printing and stationary	14.85	16.12
Communication expenses	17.34	17.42
Travelling expenses	365.31	375.15
Consultancy and legal expenses	176.49	190.34
Directors sitting fees	4.95	4.95
Directors remuneration	739.76	755.76
Miscellaneous expenses	443.64	517.02
CSR expenditure	89.05	81.19
Loss on sale/discard of property, plant and equipment	109.48	-
MAEQ Expenses	-	53.08
Transfer to storage fund for molasses	3.03	2.69
Balances written off	7.97	0.54
Other expenses	27.04	27.04
<b>Total</b>	<b>8,157.57</b>	<b>7,552.33</b>



## Notes forming part of Standalone Financial Statement

### Note 37 : Tax Reconciliation

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2024 and 31st March, 2023 are as follows:

#### (i) Profit or loss section

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current tax expense	1,045.00	724.32
Tax expense of earlier years	2.64	(2.17)
Deferred tax expense	54.29	89.65
<b>Total</b>	<b>1,101.93</b>	<b>811.80</b>

#### (ii) OCI Section

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net gain / (loss) on remeasurement of defined benefit plans	(18.84)	(44.17)
Unrealised gain/(loss) on FVTOCI equity securities	(4.14)	3.67
Income tax charged to OCI	5.57	11.85
<b>Total</b>	<b>(17.41)</b>	<b>(28.65)</b>

#### Reconciliation of tax expense

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current tax	1,045.00	724.32
Tax expense of earlier years	2.64	(2.17)
Deferred tax	54.29	89.65
<b>Total</b>	<b>1,101.93</b>	<b>811.80</b>
Accounting profit before tax from continuing operations	3,911.07	3,133.18
Applicable tax rate (using Company's tax rate)	25.168%	25.168%
<b>Computed tax expense (A)</b>	<b>984.34</b>	<b>788.56</b>
Expenses not allowable for tax purpose	51.61	(22.93)
Effect of tax deduction	(22.53)	(14.15)
Changes in recognized deductible temporary differences	85.87	62.49
Tax expense of earlier years	2.64	(2.17)
<b>Net adjustment (B)</b>	<b>117.59</b>	<b>23.24</b>
<b>Tax expense (A+B)</b>	<b>1,101.93</b>	<b>811.80</b>

## Notes forming part of Standalone Financial Statement

(Rs. in lakhs)

Particulars	As at 31st March, 2022	Provided during the year	As at 31st March, 2023	Provided during the year	As at 31st March, 2024
<b>Deferred tax liability:</b>					
Related to Fixed Assets (Depreciation)	975.51	78.98	1,054.49	27.57	<b>1,082.06</b>
<b>Total deferred tax liability (A)</b>	<b>975.51</b>	<b>78.98</b>	<b>1,054.49</b>	<b>27.57</b>	<b>1,082.06</b>
<b>Deferred tax assets:</b>					
Expenses allowable on payment basis	80.55	16.48	97.03	1.63	<b>98.66</b>
Other Ind AS adjustments related to Financial Asset/Liabilities (Net)	239.47	(15.30)	224.17	(22.78)	<b>201.39</b>
<b>Total deferred tax assets (B)</b>	<b>320.02</b>	<b>1.18</b>	<b>321.20</b>	<b>(21.15)</b>	<b>300.05</b>
<b>Deferred Tax Liability / (Asset) (Net) (A - B)</b>	<b>655.49</b>	<b>77.80</b>	<b>733.29</b>	<b>48.72</b>	<b>782.01</b>

### 38.1 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.

##### (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.

## Notes forming part of Standalone Financial Statement

### Credit risk

CCredit 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 is sold to the Govt. undertakings/Oil manufacturing companies and power is sold to the Govt. undertaking 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	As at 31st March, 2024	As at 31st March, 2023
Upto 6 months	2,485.73	590.94
6 to 12 Months	435.60	-
More than 12 months	27.88	29.07

The management has made provision for expected credit loss amounting to Rs.15.94 lakhs (Rs.15.94 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
<b>Balance as at 01st April, 2023</b>	15.94
Provided during the year	-
Reversed during the year	-
<b>Balance as at 31st March, 2024</b>	<b>15.94</b>
<b>Balance as at 01st April, 2022</b>	<b>15.97</b>
Provided during the year	-
Reversed during the year	0.03
<b>Balance as at 31st March, 2023</b>	<b>15.94</b>

### 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.

## Notes forming part of Standalone Financial Statement

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
<b>As at 31st March, 2024</b>				
Term loans	2,195.75	2,805.49	-	5,001.24
Lease liability	-	-	-	-
Loans repayable on demand	24,111.30	-	-	24,111.30
Trade and other payables	15,460.80	-	-	15,460.80
Other financial liabilities	1,115.23	50.21	1.23	1,166.67
<b>Total</b>	<b>42,883.08</b>	<b>2,855.70</b>	<b>1.23</b>	<b>45,740.01</b>

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
<b>As at 31st March, 2023</b>				
Term loans	2,621.46	5,023.57	-	7,645.03
Lease liability	7.31	0.64	-	7.95
Loans repayable on demand	19,134.08	-	-	19,134.08
Trade and other payables	13,004.98	-	-	13,004.98
Other financial liabilities	1,129.35	65.22	7.51	1,202.08
<b>Total</b>	<b>35,897.18</b>	<b>5,089.43</b>	<b>7.51</b>	<b>40,994.12</b>

### 38.2 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 year ended 31st March, 2024 and 31st March, 2023:

(Rs. in lakhs)

Description	Year ended 31 March, 2024	Year ended 31 March, 2023
Borrowings	29,112.54	26,779.10
Lease and other financial liabilities	1,166.67	1,210.03
Trade and other payables	15,460.80	13,004.98
Less: Cash and cash equivalents	726.61	585.50
Net debts	45,013.40	40,408.61
Equity share capital	1,840.00	1,840.00
Other equity	28,481.17	25,686.41
Total equity	30,321.17	27,526.41
Total equity and net debt	75,334.57	67,935.02
<b>Gearing ratio (%)</b>	<b>59.75</b>	<b>59.48</b>

(ii) No dividend has been recommended for the financial year ended 31st March, 2024.

### 38.3 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	31st March, 24	31st March, 23
Profit attributable to equity shareholders of the Company:	2,809.14	2,321.38
Profit attributable to equity shareholders for basic earnings	2,809.14	2,321.38
Profit attributable to equity shareholders adjusted for dilution effect	2,809.14	2,321.38
Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted)	9,20,00,170	9,20,00,170
<b>Earnings Per Share (Basic &amp; Diluted)</b>	<b>3.05</b>	<b>2.52</b>

### 38.4 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, 2024    31st March, 2023**

Employers' contribution to provident fund

Rs.111.55

Rs.111.69 lakhs

#### (i) 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 Year ended 31st March, 2024 (Funded)	Gratuity Year ended 31st March, 2023 (Funded)	Leave Encashment Year ended 31st March, 2024 (Non funded)	Leave Encashment Year ended 31st March, 2023 (Non funded)
<b>I. Expenses recognized in the Statement of Profit and Loss</b>				
Current service cost	33.03	31.26	15.93	14.56
Interest cost	23.79	20.26	3.56	2.80
Past service cost	-	-	-	-
Expected return on plan assets	(17.81)	(19.26)	-	-
<b>Net expenses recognized in Statement of Profit and Loss</b>	<b>39.01</b>	<b>32.26</b>	<b>19.49</b>	<b>17.36</b>
<b>II. Other comprehensive (income)/expenses (Re-measurement)</b>				
Accumulated (gain)/loss opening balance	34.78	9.66	129.46	110.40
Actuarial (gain)/loss – obligation	(0.42)	13.37	26.33	19.06
Actuarial (gain)/loss – plan assets	(7.07)	11.75	-	-
Total Actuarial (gain)/loss	(7.49)	25.12	26.33	19.06
Actuarial (gain)/loss at the end of the period	27.29	34.78	155.79	129.46
<b>III. Net liability/(assets) recognized in the balance sheet</b>				
Present value of obligations at the end of period	343.83	317.20	59.89	47.45
Fair value of the plan assets at the end of period	290.50	245.65	-	-
Funded status surplus/(deficit)	(53.33)	(71.55)	(59.89)	(47.45)
<b>Net liability/(asset) as at year end</b>	<b>53.33</b>	<b>71.55</b>	<b>59.89</b>	<b>47.45</b>
<b>IV. Changes in present value of obligations during the year</b>				
PPresent value of obligation at the beginning of the year	317.20	279.48	47.45	38.67
Current service cost	33.03	31.26	15.92	14.56
Interest cost	23.79	20.26	3.56	2.80
Past service cost	-	-	-	-
Benefits paid if any	(29.77)	(27.16)	(33.37)	(27.64)
Actuarial loss/ (gain)	(0.42)	13.36	26.33	19.06
<b>Present value of obligation at the year end</b>	<b>343.83</b>	<b>317.20</b>	<b>59.89</b>	<b>47.45</b>
<b>V. Changes in fair value of plan assets</b>				
Fair value of plan assets at the beginning of period	245.65	256.73	-	-
Expected return on plan assets	17.81	19.26	-	-
Contributions	49.74	8.57	-	-
Benefits paid	(29.77)	(27.16)	-	-
Actuarial Gain/(Loss) on plan assets	7.07	(11.75)	-	-
<b>Fair value of plan assets at the year end</b>	<b>290.50</b>	<b>245.65</b>	<b>-</b>	<b>-</b>



## Notes forming part of Standalone Financial Statement

Description	Gratuity Year ended 31st March, 2024 (Funded)	Gratuity Year ended 31st March, 2023 (Funded)	Leave Encashment Year ended 31st March, 2024 (Non funded)	Leave Encashment Year ended 31st March, 2023 (Non funded)
<b>VI. Maturity profile of defined benefit obligation</b>				
Within in next 12 months	<b>46.08</b>	37.75	<b>22.72</b>	17.90
Between 2 and 5 years	<b>98.31</b>	78.62	<b>37.17</b>	29.55
5 years and above	<b>199.44</b>	200.83	-	-
<b>Total expected payments</b>	<b>343.83</b>	317.20	<b>59.89</b>	47.45
Weighted average duration (based on discounted cash flow) in years	<b>8</b>	8	-	-
<b>Details of plan asset</b>	<b>Gratuity Trust</b>	Gratuity Trust	<b>N/A</b>	N/A
<b>SBI Life Kalyan ULIP Plus (V03)</b>	<b>229.83</b>	228.27	-	-
<b>Bank Balance and Others</b>	<b>60.67</b>	17.38	-	-

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

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Present value of Defined Benefit Obligation	343.83	317.20	279.48	274.61	287.93
Fair value of Plan Assets	290.50	245.65	256.73	250.27	249.14

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)	<b>7.25%</b>	7.50%	<b>7.25%</b>	7.50%
Future salary increase (per annum)	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%
Retirement/Superannuation Age (Year)	<b>60</b>	60	<b>60</b>	60
Expected rate of return on plan assets	<b>0%</b>	0%	<b>0%</b>	0%
Mortality	<b>IALM 2012-14</b>	IALM 2012-14	<b>IALM 2012-14</b>	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 at 31st March, 2024
Defined Benefit Obligation (Base)	343.83 lakhs @Salary increase rate: 5%, and discount rate: 7.25%
Liability with x% increase in Discount Rate	321.65 lakhs; x=1.00% [Change (6%)]
Liability with x% decrease in Discount Rate	369.18 lakhs; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	369.51 lakhs; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	321.00 lakhs; x=1.00% [Change (7%)]
Liability with x% increase in Withdrawal Rate	346.81 lakhs; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	341.17 lakhs; 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 at 31st March, 2024
Defined Benefit Obligation (Base)	59.89 lakhs
Liability with x% increase in Discount Rate	56.14 lakhs; x=1% [Change (6%)]
Liability with x% decrease in Discount Rate	64.37 lakhs; x=1% [Change 7%]
Liability with x% increase in Salary Growth Rate	64.43 lakhs; x=1% [Change 8%]
Liability with x% decrease in Salary Growth Rate	56.03 lakhs; x=1% [Change (6%)]
Liability with x% increase in Withdrawal Rate	60.79 lakhs; x=1% [Change 2%]
Liability with x% decrease in Withdrawal Rate	59.00 lakhs; x=1% [Change (1%)]

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

#### Contingent liabilities:

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under Labour laws	84.37	82.37
(ii) Claims against the Company not acknowledged as debts in respect of Criminal and Civil Cases	25.34	25.34
(iii) Bank guarantees given to the Central Government and oil manufacturing companies	183.68	138.79
(iv) Corporate guarantee given by the Company for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks).	6113.96	6895.88
(v) Disputed Entry Tax cases under appeal*	-	-
(vi) Income Tax cases under appeal	690.73	657.31
(vii) Penalty levied by Competition Commission of India and Commissioner Excise, UP	50.23	50.23

\* Amount after deducting Rs.1.34 lakhs (As on 31st March 2023 Rs.1.34 lakhs) paid under protest.

## Notes forming part of Standalone Financial Statement

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 Cane Commissioner, Uttar Pradesh has passed an order dated 17.12.2021 for payment of 12% interest on late cane payment of sugar season 2013-14. The company has filed appeal before Cane Commissioner, Uttar Pradesh. No impact has been considered in financial results as the interest amount is indeterminate and pending appeal.

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	As at 31st March, 2024	As at 31st March, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	398.90	416.33
Less: Advances paid against above	75.73	23.77
<b>Net Amount</b>	<b>323.17</b>	<b>392.56</b>

### 38.6 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.35.

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, 2024.

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Lease Liabilities in respect of long term lease	-	7.31
Non-Current Lease Liabilities	-	0.64
<b>Total</b>	<b>-</b>	<b>7.95</b>

Following is the movement in long term lease liabilities during the year ended 31 March, 2024

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning	7.95	0.58
Additions during the year	-	14.21
Finance cost accrued during the year	-	0.83
Payment of Lease Liabilities during the year	7.95	7.67
Translation Differences	-	-
<b>Balance at the end</b>	<b>-</b>	<b>7.95</b>

## Notes forming part of Standalone Financial Statement

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2024 on an undiscounted basis:

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Future Minimum Lease Payment</b>		
Not later than one year	-	7.31
Later than one year but not later than five year	-	0.64
Later than five year	-	-
<b>Total</b>	<b>-</b>	<b>7.95</b>

### 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.5.84 lakhs (previous year Rs.5.79 lakhs).

**38.7** 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:

### As at 31st March, 2024

(Rs. in lakhs)

S.No.	Particulars	Trade payable	Payable to supplier of capital goods	Total
(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	233.86	45.61	279.47
	Interest due on above	0.01	-	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.	0.01	-	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

As at 31st March, 2023

(Rs. in lakhs)

S.No.	Particulars	Trade payable	Payable to supplier of capital goods	Total
(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	113.47	24.41	137.88
	Interest due on above	0.01	-	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.	0.01	-	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	-	-	-

### 38.8 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
- Mrs. Madhu Mathur -Independent Director
- Shri S. K. Gupta -Independent Director
- Shri Sushil Solomon -Independent Director
- Shri Bibhash Kumar Srivastava -Independent Director
- Dr. Bakshi Ram -Independent Director

## Notes forming part of Standalone Financial Statement

### ii. Relatives of Key Management Personnel (Group B)

- Smt. Naina Jhunjunwala (Wife of Shri L.K. Jhunjunwala)
- Shri Vatsal Jhunjunwala (Son of Shri Aditya Jhunjunwala)
- Ms. Palak Jhunjunwala (Daughter of Shri Sanjay Jhunjunwala)

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

- Benares Inorganics Pvt. Ltd.
- Brahma Properties Pvt. Ltd.
- Francoise Commerce Pvt. Ltd.
- Indian Sugar Exim Corporation Ltd.
- K M Energy Pvt. Ltd.
- K M Vyapar Ltd.
- K M Strategic Investments and Holdings Pvt. Ltd.
- K M Particle Boards Pvt. Ltd.
- Marvel Business Pvt. Ltd.
- Shri Shakti Credits Ltd.
- Sonar Casting Ltd.
- Shri Laxmi Public Charitable Trust
- Zar International Pvt. Ltd.

### c) Transactions with the related parties:

(Rs . in lakhs)

Sl. no.	Nature of transaction/ Name of the related party	Subsidiary 2023-24 (2022-23)	Key Managerial Personnel (KMP) 2023-24(2022-23)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2023-24 (2022-23)	Total 2023-24 (2022-23)
<b>i.</b>	<b>Investment made</b>				
	Sonar Casting Ltd.	- (-)	- (-)	1295.00 (1250.00)	1295.00 (1250.00)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	- (1850.00)	- (1850.00)
<b>ii.</b>	<b>Remuneration including commission and PF#</b>				
	Shri L. K. Jhunjunwala	- (-)	250.92 (216.73)	- (-)	250.92 (216.73)
	Shri Aditya Jhunjunwala	- (-)	274.33 (322.74)	- (-)	274.33 (322.74)
	Shri Sanjay Jhunjunwala	- (-)	168.90 (170.85)	- (-)	168.90 (170.85)
	Shri S. C. Agarwal	- (-)	54.11 (54.38)	- (-)	54.11 (54.38)
	Shri Vatsal Jhunjunwala	- (-)	- (-)	24.00 (24.00)	24.00 (24.00)
	Shri Arvind Kumar Gupta	- (-)	22.66 (19.49)	- (-)	22.66 (19.49)
	Ms. Pooja Dua	- (-)	7.07 (5.96)	- (-)	7.07 (5.96)
<b>iii.</b>	<b>Education fee paid</b>				
	Ms. Palak Jhunjunwala	- (-)	- (-)	76.42 (-)	76.42 (-)
<b>iv.</b>	<b>Rent paid</b>				
	Sri Shakti Credits Ltd.	- (-)	- (-)	3.00 (3.00)	3.00 (3.00)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (1.14)	1.14 (1.14)
	K M Vyapar Ltd.	- (-)	- (-)	160.02 (160.02)	160.02 (160.02)



## Notes forming part of Standalone Financial Statement

	Marvel Business Pvt. Ltd.	- (-)	- (-)	7.20 (7.20)	7.20 (7.20)
	Brahma Properties Pvt. Ltd.	- (-)	- (-)	6.00 (-)	6.00 (-)
<b>v.</b>	<b>MAEQ export expenses reimbursement</b>				
	Indian Sugar Exim Corporation Ltd.	- (-)	- (-)	- (48.03)	- (48.03)
<b>vi.</b>	<b>Loans taken</b>				
	Benares Inorganics Pvt. Ltd.	- (-)	- (-)	- (1500.00)	- (1500.00)
<b>vii.</b>	<b>Loans repaid</b>				
	Benares Inorganics Pvt. Ltd.	- (-)	- (-)	- (1500.00)	- (1500.00)
<b>viii.</b>	<b>Loans given</b>				
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	705.00 (2750.00)	705.00 (2750.00)
<b>ix.</b>	<b>Loans received back</b>				
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	285.00 (2300.00)	285.00 (2300.00)
<b>x.</b>	<b>Sitting fees paid</b>				
	Smt. Madhu Mathur	- (-)	0.90 (0.90)	- (-)	0.90 (0.90)
	Shri S. K. Gupta	- (-)	1.45 (1.45)	- (-)	1.45 (1.45)
	Shri Bibhash Kumar Srivastava	- (-)	1.00 (1.00)	- (-)	1.00 (1.00)
	Shri Sushil Solomon	- (-)	1.20 (1.20)	- (-)	1.20 (1.20)
	Dr. Bakshi Ram	- (-)	0.40 (0.40)	- (-)	0.40 (0.40)
<b>xi.</b>	<b>Bagasse Sale</b>				
	K M Particle Boards Pvt. Ltd.	- (-)	- (-)	1028.66 (130.21)	1028.66 (130.21)
<b>xii.</b>	<b>Sugar Sale</b>				
	Francoise Commerce Pvt. Ltd.	- (-)	- (-)	1354.90 (-)	1354.90 (-)
<b>xiii.</b>	<b>CSR paid</b>				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	120.00 (150.00)	120.00 (150.00)
<b>xiv.</b>	<b>Interest paid</b>				
	Benares Inorganics Pvt. Ltd.	- (-)	- (-)	- (30.90)	- (30.90)
<b>xv.</b>	<b>Interest received</b>				
	Sonar Casting Ltd.	- (-)	- (-)	88.84 (75.44)	88.84 (75.44)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	259.51 (217.08)	259.51 (217.08)
<b>xvi.</b>	<b>Balance outstanding</b>				
	<b>a. Amount payable</b>				
	Shri L K Jhunjunwala	- (-)	176.18 (152.28)	- (-)	176.18 (152.28)
	Shri Aditya Jhunjunwala	- (-)	46.54 (58.89)	- (-)	46.54 (58.89)
	Shri Sanjay Jhunjunwala	- (-)	27.36 (38.48)	- (-)	27.36 (38.48)
	Shri S. C. Agarwal	- (-)	2.25 (1.64)	- (-)	2.25 (1.64)
	Shri Vatsal Jhunjunwala	- (-)	- (-)	1.62 (1.53)	1.62 (1.53)
	Sri Shakti Credits Ltd.	- (-)	- (-)	3.11 (0.27)	3.11 (0.27)
	K M Vyapar Ltd.	- (-)	- (-)	14.81 (14.81)	14.81 (14.81)
	Zar International Pvt. Ltd.	- (-)	- (-)	2.28 (1.14)	2.28 (1.14)
	Brahma Properties Pvt Ltd.	- (-)	- (-)	5.40 (-)	5.40 (-)
	Marvel Business Pvt Ltd.	- (-)	- (-)	5.48 (-)	5.48 (-)

## Notes forming part of Standalone Financial Statement

<b>b. Amount receivable</b>				
<b>Loan</b>				
Sonar Casting Ltd.	- (-)	- (-)	875.00 (875.00)	875.00 (875.00)
K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	870.00 (450.00)	870.00 (450.00)
<b>Interest</b>				
Sonar Casting Ltd.	- (-)	- (-)	162.61 (82.65)	162.61 (82.65)
K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	118.91 (156.84)	118.91 (156.84)
<b>Bagasse Sale</b>				
K M Particle Boards Pvt. Ltd.	- (-)	- (-)	801.34 (130.21)	801.34 (130.21)
<b>Sugar Sale</b>				
Francoise Commerce Pvt. Ltd.	- (-)	- (-)	1424.08 (-)	1424.08 (-)
<b>c. Corporate guarantee given by the company for loan sanctioned/availed by</b>				
Sonar Casting Limited.	- (-)	- (-)	6113.96 (6895.88)	6113.96 (6895.88)
<b>d . Investment Held (Cost)</b>				
Equity share in 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			4585.00 ( 3290.00)	4585.00 (3290.00)
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)
OFCD in K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	2350.00 (2350.00)	2350.00 (2350.00)

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

### #Directors Remuneration

(Rs. in lakhs)

S. No.	Particulars	Chairman	Managing Director	Jt. Managing Director	Executive Director	Total
1	Salary	150.00 (150.00)	150.00 (150.00)	150.00 (150.00)	48.00 (48.00)	498.00 (498.00)
2	Commission	100.00 (60.00)	100.00 (150.00)	-	- (-)	210.00 (130.00)
3	Contribution to Provident Fund	- (6.00)	18.00 (18.00)	18.00 (18.00)	5.76 (5.76)	41.76 (47.76)
4	Perquisites:					
	(i) Residence	- (11.31)	7.20 (-)	- (-)	3.62 (3.65)	10.82 (14.96)
	(ii) Medical reimbursement	0.92 (0.73)	6.33 (4.74)	0.90 (2.85)	0.35 (0.62)	8.50 (8.94)
	(iii) Other benefits	0.79 (1.13)	19.36 (0.79)	0.79 (0.40)	0.70 (0.70)	21.64 (3.02)
	<b>Total</b>	<b>251.71 (229.17)</b>	<b>300.89 (323.53)</b>	<b>169.69 (171.25)</b>	<b>58.43 (58.73)</b>	<b>780.72 (782.68)</b>

## Notes forming part of Standalone Financial Statement

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 recommended by Audit Committee and approved by the Board in their respective meetings held during the year.

### 38.9 Segment Reporting: Information on the Segment Reporting is as under:

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	Unallocable	Unallocable
<b>Gross sales</b>	61,296.03 (54,349.14)	7,592.70 (5,391.36)	- (-)	68,888.73 (59,740.50)
Less: Inter segment sales	3,172.80 (2,187.95)	- (-)	- (-)	3,172.80 (2,187.95)
<b>External sales</b>	58,123.23 (52,161.19)	7,592.70 (5,391.36)	- (-)	65,715.93 (57,552.55)
Add: Other income	790.98 (954.36)	58.07 (182.13)	- (-)	849.05 (1,136.49)
<b>Total revenue</b>	58,914.21 (53,115.55)	7,650.77 (5,573.49)	- (-)	66,564.98 (58,689.04)
<b>Segment results</b>	4,824.63 (4,337.01)	740.72 (181.33)	- (-)	5,565.35 (4,518.34)
Less: Finance cost	1,631.25 (1,366.61)	23.03 (18.55)	- (-)	1,654.28 (1,385.16)
<b>Profit before tax</b>	3,193.38 (2,970.40)	717.69 (162.78)	- (-)	3,911.07 (3,133.18)
Current tax				1,047.64 (722.15)
Deferred tax				54.29 (89.65)
<b>Profit after tax</b>				2,809.14 (2,321.38)
<b>Other information</b>				
Segment assets	70,430.74 (63,532.74)	7,491.85 (6,799.99)	- (-)	77,922.59 (70,332.73)
Segment liabilities	45,292.52 (40,638.09)	1,526.89 (1,434.94)	782.01 (733.29)	47,601.42 (42,806.32)
Capital Expenditure	1,889.12 (7,065.53)	694.59 (527.24)	- (-)	2,583.71 (7,592.77)
Depreciation and amortisation	1,708.17 (1,120.66)	550.91 (466.68)	- (-)	2,259.08 (1,587.34)

## Notes forming part of Standalone 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.

### 38.10 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 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
<b>Financial assets</b>				
<b>FVOCI financial instruments:</b>				
Unquoted equity shares	5.10	9.24	5.10	9.24
<b>Fair Value through Statement of Profit &amp; Loss</b>				
Investment in Preference Shares	5,236.03	3,936.43	5,236.03	3,936.43
Investment in OFCD	2,350.00	2,350.00	2,350.00	2,350.00
Corporate guarantee	72.72	96.39	72.72	96.39
<b>Fair value of assets through Other Comprehensive Income</b>				
Free hold Land	930.78	930.78	930.78	930.78
<b>Total</b>	<b>8,594.63</b>	<b>7,322.84</b>	<b>8,594.63</b>	<b>7,322.84</b>

(Rs. in lakhs)

Description	Carrying value		Fair Value	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
<b>Financial liabilities at amortized cost through statement of profit and loss</b>				
Loan taken from Bank, Government and others				
Fixed rate borrowings	237.69	1,157.37	237.69	1,157.37
Floating rate borrowings	4,763.55	6,487.66	4,763.55	6,487.66
<b>Total</b>	<b>5,001.24</b>	<b>7,645.03</b>	<b>5,001.24</b>	<b>7,645.03</b>

### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

## Notes forming part of Standalone Financial Statement

### Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2024:

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	31st March, 2024	-	-	Yes
Preference Share	31st March, 2024	-	-	Yes

#### 38.11 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:

(Rs. in lakhs)

Description	Amount in lakhs	Year to which relates	Treatment in accounts
<b>Revenue related to Government Grant</b>			
Financial Assistance from the State Government	Nil	2023-24	Nil
<b>Deferred Government Grant</b>			
Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant)	29.48	2023-24	A sum of Rs.118.58 lakhs considered for part of the year as government grant under Note-29. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan.

#### 38.12 Expenditure incurred on corporate social responsibilities (CSR)

Details of expenditure on corporate social responsibility activities as per Section 135 of Companies Act , 2013 read with schedule III are as below:

##### A. Statement of CSR Obligation

(Rs. in lakhs)

Sl. no.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Average net profits of the Company as per Section 135(5)	4,058.15	3,951.69
b)	Two percent of the average net profits of the Company as per Section 135(5)	81.16	79.03
c)	Amount approved by the Board for CSR during the Year	89.05	81.19
d)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil	Nil
e)	Amount required to be set off for the financial year, if any	89.05	81.19
f)	Total CSR obligation for the financial year [(c)+(d)-(e)]	Nil	Nil

## Notes forming part of Standalone Financial Statement

### B. Statement of CSR Expenditure

(Rs. In lakhs)

Sl. no.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)		
	- For contribution in hospital construction and asset	120.00	150.00
	- For rural development etc.	0.24	1.19
	- Preventive health care and sanitation	0.51	-
	- For contribution towards schools to promote education	8.30	-
	Total	129.05	151.19
b)	Amount spent in Administrative Overheads	Nil	Nil
c)	Amount spent on Impact Assessment, if applicable	Nil	Nil
d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	129.05	151.19
e)	Total CSR obligation for the financial year	Nil	Nil
f)	Excess CSR Expenditure available for Carry Forward	129.05	151.19

### C. Statement of Carry Forward

(Rs. In lakhs)

Sl. no.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
a)	Excess CSR Expenditure carried forward	109.00	70.00	129.05
b)	Set off during the Financial year 2022-23	Nil	N/A	N/A
c)	Set off during the Financial year 2023-24	89.05	Nil	N/A
d)	Balance to be Carried Forward	*19.95	#70.00	^129.05
e)	Total amount Carried Forwarded			219.00

\*available for set off till the financial year 2024-25

#available for set off till the financial year 2025-26

^available for set off till the financial year 2026-27

**38.13** 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, 2023 shown under Note 17 of "Other equity".

**38.14** 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.

**38.15** Other non-current liabilities (Note No.21) 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.

**38.16** 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 was moved in earlier years to the Distillery Unit for manufacturing of country liquor. Thus, depreciation due to obsolescence has been provided on building amounting to Rs. Nil in the current year. (Previous year Nil).



## Notes forming part of Standalone Financial Statement

**38.17** 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.

**38.18** The Company has a subsidiary company namely K M Spirits and Allied Industries Ltd.

**38.19** 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 in preference shares of Sonar Casting Ltd. considering dividend at 12.50% and this fact has been taken into account while determining the fair value of these investments. However, no dividend received on these investment since amount invested.

**38.20** The Central Government pursuant to Notification No. 1(1)/2022-Trade dated 5th November, 2022 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified sugar mill wise export quantity of sugar for export in sugar season 2022-23 in order to prevent uncontrolled export of sugar and with a view to ensure sufficient availability of sugar for domestic consumption at a reasonable price. The notification also provides facility to export sugar themselves or through merchant exporter or exchange their export quota with domestic quota of any other sugar mill.

Pursuant to above notification, the Company has sold its export quota for exchange with domestic quota of any other sugar mill. The amount received on sale of export quota of Rs. Nil (Previous year Rs.879.05 lakhs) has been shown as line item "Export quota sale receipt" under Revenue from operations.

### 38.21 Imported and Indigenous Raw Materials, Packing Materials and Stores and Spares consumed

(Rs. In lakhs)

Description	31st March, 2024		31st March, 2023	
	% of total consumption	Amount	% of total consumption	Amount
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	100%	51,513.78	100%	39,892.98
<b>Stores and packing material</b>				
Imported	-	-	-	-
Indigenous	100%	1,877.07	100%	1,781.92

### 38.22

#### Income in foreign currency on account of:

(Rs. in lakhs)

Description	As at 31st March, 2024	As at 31st March, 2023
Export sale	-	-

#### 38.23 Expenditure in foreign currency on account of:

(Rs. in lakhs)

Description	As at 31st March, 2024	As at 31st March, 2023
Travelling	30.60	56.25
Others	82.88	4.46

**38.24** 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.

**38.25** The company has lease hold land from U P Government and out of which 3 hectare land has been sub-leased to K M Particle Boards Pvt. Ltd. vide sub-lease deed dated 23.01.2024 executed by U. P. Government, K M Sugar Mills Ltd. and K M Particle Boards Pvt. Ltd. and registered on 03.02.2024.

### 38.26 Components of Other Comprehensive Income

The disaggregation of changes to OCI in equity is shown below:

(Rs. in lakhs)

Description	Comprehensive Income ( Net of Tax)	
	Year ended 31st March, 2024	Year ended 31st March, 2022
Gain/(loss) on equity instruments	(3.31)	4.40
Re-measurement gain/(loss) on defined benefit plans	(14.10)	(33.05)
<b>Total</b>	<b>(17.41)</b>	<b>(28.65)</b>

### 38.27 Capital work in progress (Under property, plant and equipment, intangible asset) ageing schedule

For the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1 -2 year	2- 3 year	More than 3 year	
Plant and machinery in progress	482.91	4.03	5.41	-	492.35
Building work	269.36	399.18	4.54	-	673.08
Building work temporarily suspended*	-	-	-	10.08	10.08
<b>Total</b>	<b>752.27</b>	<b>403.21</b>	<b>9.95</b>	<b>10.08</b>	<b>1,175.51</b>

\* The completion of building is overdue as plan is under approval with development authority, hence completion date can not be estimated.

For the year ended 31st March, 2023

(Rs. in lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1 -2 year	2- 3 year	More than 3 year	
Plant and machinery in progress	33.97	5.41	-	-	39.38
Building work	399.18	4.54	-	-	403.72
Building work temporarily suspended*	-	-	-	10.08	10.08
<b>Total</b>	<b>433.15</b>	<b>9.95</b>	<b>-</b>	<b>10.08</b>	<b>453.18</b>

\* The completion of building is overdue as plan is under approval with development authority, hence completion date can not be estimated.

## Notes forming part of Standalone Financial Statement

### 38.28 Trade receivable ageing schedule

For the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Unbilled revenue*	Not due	Outstanding from due date of payment					Total
			Less than 6 months	6 months to 1 year	1 -2 year	2- 3 year	More than 3 year	
Undisputed Trade receivables - considered good	144.13	323.72	2,017.88	435.60	10.99	0.95	-	2,933.27
Undisputed Trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
Undisputed Trade receivables - credit Impaired		-	-	-	-	-	0.03	0.03
Disputed Trade receivables - credit Impaired		-	-	-	-	-	15.91	15.91
<b>Total</b>	<b>144.13</b>	<b>323.72</b>	<b>2,017.88</b>	<b>435.60</b>	<b>10.99</b>	<b>0.95</b>	<b>15.94</b>	<b>2,949.21</b>

\* Represents bills for the month of March 2024 which were subsequently billed in the following month.

(Rs. in lakhs)

For the year ended 31st March, 2023

Particulars	Unbilled revenue*	Not due	Outstanding from due date of payment					Total
			Less than 6 months	6 months to 1 year	1 -2 year	2- 3 year	More than 3 year	
Undisputed Trade receivables - considered good	232.36	152.00	206.58	-	13.13	-	-	604.07
Undisputed Trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired		-	-	-	-	0.03	-	0.03
Disputed Trade receivables - credit impaired		-	-	-	-	-	15.91	15.91
<b>Total</b>	<b>232.36</b>	<b>152.00</b>	<b>206.58</b>	<b>-</b>	<b>13.13</b>	<b>0.03</b>	<b>15.91</b>	<b>620.01</b>

\* Represents bills for the month of March 2023 which were subsequently billed in the following month.

## Notes forming part of Standalone Financial Statement

### 38.29 Trade payable ageing schedule

For the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 year	2- 3 year	More than 3 year	
MSME	-	233.29	-	-	-	233.29
Others	3,469.02	11,430.13	20.38	13.70	19.05	14,952.28
Disputed dues-MSME	-	-	-	-	0.57	0.57
Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>3,469.02</b>	<b>11,663.42</b>	<b>20.38</b>	<b>13.70</b>	<b>19.62</b>	<b>15,186.14</b>

For the year ended 31st March, 2023

(Rs. in lakhs)

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 year	2- 3 year	More than 3 year	
MSME	-	113.47	-	-	-	113.47
Others	4,029.75	8,340.06	66.94	3.98	20.74	12,461.47
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>4,029.75</b>	<b>8,453.53</b>	<b>66.94</b>	<b>3.98</b>	<b>20.74</b>	<b>12574.94</b>

### 38.30 Details of shares held by promoter and promoter group of the Company

Equity Shares held by promoters as at 31st March, 2024 and 31st March, 2023

Promoter Name	31st March, 2024			31st March, 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
<b>Promoters</b>						
Lakshmi Kant Jhunjunwala	1,43,02,600	15.55%	-	1,43,02,600	15.55%	-
Lakshmi Kant Dwarkadas -HUF	1,00,65,900	10.94%	-	1,00,65,900	10.94%	-
Aditya Jhunjunwala	52,89,242	5.75%	-	52,89,242	5.75%	-
Sanjay Jhunjunwala	24,94,600	2.71%	-	24,94,600	2.71%	-
<b>Promoter group</b>						
Naina Jhunjunwala	41,80,748	4.54%	-0.002%	41,82,748	4.55%	-
Prakash Chandra Dwarkadas Jhunjunwala-HUF	-	-	-	-	-	-3.56%*
Umadevi Jhunjunwala	-	-	-	-	-	-2.77%*
Madhu Prakash Jhunjunwala	-	-	-	-	-	-1.71%*
Vatsal Jhunjunwala	4,99,721	0.54%	-	4,99,721	0.54%	-
Vridhi Trust	1,88,780	0.21%	-	1,88,780	0.21%	-
Shivam Shorewala	1,20,549	0.13%	-	1,20,549	0.13%	-
Marvel Business Private Ltd.	1,20,65,975	13.12%	-	1,20,65,975	13.12%	-
K M Vyapar Ltd.	22,83,364	2.48%	-	22,83,364	2.48%	-
Jhunjunwala Securities Pvt. Ltd.	5,00,000	0.54%	-	5,00,000	0.54%	-
Francoise Commerce Pvt. Ltd.	20	.	.	20	.	.

## Notes forming part of Standalone Financial Statement

\*Shares held by Prakash Chandra Dwarkadas Jhunjhunwala–HUF, Uma Devi Jhunjhunwala and Madhu Prakash Jhunjhunwala classified under promoter group category were reclassified to Public category vide approval letter No. NSE/LIST/218 dated 26.09.2022 of National Stock Exchange of India Ltd. and letter No. LIST/COMP/YG/272/2022-23 dated 26.09.2022 of BSE Ltd.

### 38.31 Loans to promoter, director and related parties etc.

For the year ended 31st March, 2024

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter	-	-
Loan to Director	-	-
Loan to KMPs	-	-
Loan to related party	1,907.61	100%

For the year ended 31st March, 2022

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter	-	-
Loan to Director	-	-
Loan to KMPs	-	-
Loan to related party	1,407.65	100%

### 38.32 Financial ratios

The following are analytical ratios for the year ended 31st March, 2024 and 31st March, 2023

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023	Change
Current Ratio	Current assets	Current liabilities	1.02	1.04	-1.92%
Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.96	0.97	-1.03%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Note 2)	1.58	1.92	-17.71%
Return on Equity Ratio	Profit for the year	Average Total Equity	9.71	8.80	10.34%
Inventory turnover ratio	Revenue from Operations	Average Inventory	1.85	1.62	14.20%
Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	37.16	54.93	-32.35%*
Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	3.86	3.25	18.77%
Net capital turnover ratio	Revenue from Operations	Working Capital	69.39	35.46	95.69%^
Net profit ratio	Profit for the year	Revenue from Operations	4.27%	4.03%	24bps
Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	15.76%	12.85%	291bps
Return on investment	Profit for the year	Average Total Assets	3.79%	3.45%	34bps

\* Delayed realisation of trade receivable

^ Increase in current liability of cane price increase for season 2023-24

Note 1: Debt includes lease liabilities

Note 2: Debt service = Interest and Lease payments and Principal Repayments

Note 3: EBIT = Profit before exceptional items + Finance Costs

Note 4: Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities

## Notes forming part of Standalone Financial Statement

**38.33 The difference between the value as per books of accounts and as per quarterly statement submitted with lenders are given below:**

(Rs. in lakhs)

Quarter ending	Value as per books of accounts	Value as per quarterly statement submitted with lenders	Difference	Reasons for difference
June 30, 2023	24,048.68	21,610.75	2,437.93	The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets in the statements filed with the lenders.
September 30, 2023	10,644.59	8,179.18	2,465.41	
December 31, 2023	17,621.13	13,434.86	4,186.27	
March 31, 2024	41,332.20	39,828.43	1,503.77	

Quarter ending	Value as per books of accounts	Value as per quarterly statement submitted with lenders	Difference	Reasons for difference
June 30, 2022	31,810.03	29,910.89	1,899.14	The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets in the statements filed with the lenders.
September 30, 2022	18,354.88	17,284.20	1,070.68	
December 31, 2022	13,565.83	9,668.32	3,897.51	
March 31, 2023	35,918.97	30,991.26	4,927.71	

### 38.34 Other statutory information

- i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company.
- ii. The Company does not have any transactions with companies struck off.
- iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vi. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii. The Company has not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 38.35 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.

### 38.36 Figures in brackets pertain to previous year.

### 38.37 The previous year's figures have been regrouped, reclassified, reworked and rearranged wherever necessary to correspond with the current year.

#### For Mehrotra & Mehrotra

Chartered Accountants

F.R. No 0226C

**CA. Sanjay K. Rai**

Partner

M.No.507946

Place : Lucknow

Date : 21st May, 2024

#### 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)



# 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 comprise the Consolidated Balance Sheet as at March 31, 2024, 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, 2024, 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><b>Valuation of inventory of sugar:</b></p> <p>As on March 31, 2024, the Company has inventory of sugar with a carrying value INR 37098.06 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 &amp; 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><b>Contingent Liabilities :</b></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"> <li>• understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases;</li> <li>• discussed with management regarding any material developments and latest status of legal matters;</li> <li>• 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;</li> <li>• examining management's judgements and assessments whether provisions are required;</li> <li>• considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote;</li> <li>• reviewing the adequacy and completeness of disclosures;</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p>
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### 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. K M Spirits and Allied Industries Limited. The financial statements of K M Spirits & Allied Industries Limited reflect total assets of Rs.5.29 lakhs as at 31st March, 2024, total revenues of Rs. 0.29 lakhs and net cash flows amounting to Rs. 0.03 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

1. 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, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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.

- g) 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.

- 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 - 38.5 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;
- (a) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the

aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in persons or entities identified in any manner whatsoever by or on behalf of the Group ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (a) and (b) above, contain any material misstatement.

iv. In our opinion, the company has not declared and paid dividend during the year so this para is not applicable to the company.

v. Based on our examination, which included test checks, performed by us on the Company and its subsidiaries incorporated in India, have used accounting software for maintaining their books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

2. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The subsidiary companies incorporated in India have not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For Mehrotra & Mehrotra**  
Chartered Accountants  
Firm Registration No.: 000226C

CA Sanjay K. Rai  
Partner

Place: Lucknow  
Date: 21.05.2024

M. No.: 507946  
UDIN:24507946BKFXDD7325

## 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, 2024, 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 2024, 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 **Mehrotra & Mehrotra**  
Chartered Accountants  
Firm Registration No.: 000226C

CA Sanjay K. Rai  
Partner

Place: Lucknow  
Date: 21.05.2024

M. No.: 507946  
UDIN:24507946BKFDD7325

# Consolidated Balance sheet for the year ended 31st March 2024

(Rs. in lakhs)

Particulars	Notes No.	As at 31st March, 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>(1) Non current assets</b>			
(a) Property, plant and equipment	3	16,058.21	16,325.41
(b) Capital work in progress	3A	1,175.51	453.18
(c) Intangible assets	3B	3.83	3.71
(d) Right-of-use-assets	3C	4,866.57	5,113.64
(e) Financial assets			
(i) Investments	4	7,586.13	6,290.67
(ii) Loans	5	1,037.61	957.65
(iii) Other financial assets	6	622.84	744.92
(f) Non current tax assets (net)	7	167.63	338.12
(g) Other non current assets	8	1,997.96	2,026.72
<b>Total non current assets</b>		<b>33,516.29</b>	<b>32,254.02</b>
<b>(2) Current assets</b>			
(a) Inventories	9	38,398.93	35,314.90
(b) Financial assets			
(i) Investments	10	0.03	0.02
(ii) Trade and other receivables	11	2,933.27	604.07
(iii) Cash and cash equivalents	12	727.21	586.07
(iv) Bank balances other than cash and cash equivalents	12A	385.33	51.83
(v) Loans	13	870.00	450.00
(vi) Other financial assets	14	10.05	43.25
(c) Other current assets	15	1,081.73	1,028.76
<b>Total current assets</b>		<b>44,406.55</b>	<b>38,078.90</b>
<b>Total assets</b>		<b>77,922.84</b>	<b>70,332.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	16	1,840.00	1,840.00
(b) Other equity	17	28,481.34	25,686.43
<b>Total equity</b>		<b>30,321.34</b>	<b>27,526.43</b>
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	2,805.49	5,023.57
(ii) Lease liability	19	-	0.64
(iii) Other financial liabilities	20	51.44	72.73
(b) Other non current liabilities	21	14.50	43.98
(c) Deferred tax liabilities (net)	22	782.01	733.29
(d) Provisions	23	489.02	481.40
<b>Total non current liabilities</b>		<b>4,142.46</b>	<b>6,355.61</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	26,307.05	21,755.53
(ii) Lease liability	19	-	7.31
(iii) Trade and other payables	25	15,460.88	13,005.15
(iv) Other financial liabilities	26	1,115.23	1,129.35
(b) Other current liabilities	27	499.83	464.09
(c) Current Tax liability (net)	7	-	-
(d) Provisions	23	76.05	89.45
<b>Total current liabilities</b>		<b>43,459.04</b>	<b>36,450.88</b>
<b>Total equity and liabilities</b>		<b>77,922.84</b>	<b>70,332.92</b>

## Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 38 form an integral part of standalone financial statements

As per our report of even date attached

For Mehrotra & Mehrotra  
Chartered Accountants  
F.R. No 0226C

For and on behalf of Board of Directors

CA. Sanjay K. Rai  
Partner  
M.No.507946

S. C. Agarwal  
Executive Director  
(DIN-02461954)

A. K. Gupta  
Chief Financial Officer

Aditya Jhunjhunwala  
Managing Director  
(DIN-01686189)

Pooja Dua  
Company Secretary  
(M. No. A50996)

Place : Lucknow  
Date : 21st May, 2024

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## Consolidated statement of profit and loss for the year ended 31st March 2024

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>I Revenue From Operations</b>	28	65,715.93	57,552.55
II Other Income	29	849.34	1,136.73
<b>III Total Income (I+II)</b>		<b>66,565.27</b>	<b>58,689.28</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	30	51,513.78	39,892.98
Purchase of stock in trade	31	46.00	177.67
Changes in inventories of finished goods, by-products and work-in-progress	32	(3,007.29)	3,160.29
Employee benefit expenses	33	2,030.49	1,800.09
Finance costs	34	1,654.29	1,385.17
Depreciation and amortisation expenses	35	2,259.08	1,587.34
Other expenses	36	8,157.66	7,552.42
<b>Total expenses</b>		<b>62,654.01</b>	<b>55,555.96</b>
V Profit/(loss) before exceptional items and tax (III-IV)		<b>3,911.26</b>	<b>3,133.32</b>
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>3,911.26</b>	<b>3,133.32</b>
<b>VIII Tax expenses :</b>	37		
Current tax		1,045.04	724.35
Tax expense of earlier year		2.64	(2.17)
Deferred tax		54.29	89.65
		<b>1,101.97</b>	<b>811.83</b>
<b>IX Profit (Loss) for the period (VII-VIII)</b>		<b>2,809.29</b>	<b>2,321.49</b>
<b>X Other Comprehensive Income :</b>			
(i) Items that will not be reclassified to profit and loss :			
Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation		(18.84)	(44.17)
Gain / (Loss) arising on fair valuation of equity instruments		(4.14)	3.67
(ii) Income tax relating to items that will not be reclassified to profit and loss		5.57	11.85
		<b>(17.41)</b>	<b>(28.65)</b>
<b>XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>2,791.88</b>	<b>2,292.84</b>
<b>XII Earnings per equity share ( Equity share of Rs. 2/- each)</b>			
(1) Basic		<b>3.05</b>	<b>2.52</b>
(2) Diluted		<b>3.05</b>	<b>2.52</b>

### Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 38 form an integral part of standalone financial statements

As per our report of even date attached

**For Mehrotra & Mehrotra**  
Chartered Accountants  
F.R. No 0226C

**For and on behalf of Board of Directors**

**CA. Sanjay K. Rai**  
Partner  
M.No.507946

**S. C. Agarwal**  
Executive Director  
(DIN-02461954)

**Aditya Jhunjhunwala**  
Managing Director  
(DIN-01686189)

**A. K. Gupta**  
Chief Financial Officer

**Pooja Dua**  
Company Secretary  
(M. No. A50996)

Place : Lucknow  
Date : 21st May, 2024

## Consolidated Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>A.</b>	<b>Cash flow from operating activities</b>				
	<b>Profit/(loss) before tax</b>		<b>3,911.26</b>		<b>3,133.32</b>
	<i>Adjustment to reconcile profit before tax to net cash flow provided by operating activities:</i>				
	Depreciation and amortisation expense	2,259.08		1,587.34	
	Finance costs	1,654.29		1,385.17	
	Transfer to storage fund for molasses	3.03		2.69	
	Provision/(reversal) of doubtful debts	(0.70)		(1.03)	
	Balances written off	7.97		0.54	
	Interest Income	(412.55)		(332.03)	
	Government Grant	(118.58)		(118.26)	
	Fair valuation on investment and others	(4.61)		(258.69)	
	Loss/(Profit) on sale of property, plant and equipments	97.08		(12.17)	
	Unspent liabilities/balances written back	(51.92)		(252.16)	
	Other measurement income	(32.88)		(35.01)	
	Other measurement expenses	22.52		19.36	
	Remeasurement of defined benefit obligation	(18.84)	<b>3,403.89</b>	(44.17)	<b>1,941.58</b>
	<b>Operating Profit before working capital changes</b>		<b>7,315.15</b>		<b>5,074.90</b>
	<i>Adjustment to reconcile operating profit to cash flow provided by change in working capital</i>				
	(Increase)/Decrease in trade and other receivables	(2,329.20)		887.25	
	(Increase) / Decrease in inventories	(3,084.03)		3,021.33	
	(Increase) / Decrease in Current & Non current Assets	(88.83)		333.29	
	(Increase) / Decrease in financial Assets	(678.18)		(698.89)	
	Increase / (Decrease) in trade payables & Others	2,455.73		(428.35)	
	Increase / (Decrease) in current & non current liabilities	176.76		228.40	
	Increase / (Decrease) in other financial liabilities	(8.39)		(107.98)	
	Increase / (Decrease) in provisions	(5.78)		57.59	
			<b>(3,561.92)</b>		<b>3,292.64</b>
	<b>Cash generated from operations</b>		<b>3,753.23</b>		<b>8,367.54</b>
	Tax expense		(877.18)		(1,062.77)
	<b>Net cash generated from operating activities (A)</b>		<b>2,876.05</b>		<b>7,304.77</b>
<b>B.</b>	<b>Cash Flow from investing activities</b>				
	Addition to property, plant and equipment (including capital work in progress) (Net)	(2,583.71)		(7,592.76)	
	Proceed from Sale of property, plant and equipment	15.82		12.17	
	Investment in equity and other (Net)	(1,295.00)		(3,075.02)	
	Interest income received	447.37	<b>(3,415.52)</b>	112.97	<b>(10,542.64)</b>
	<b>Net cash used in investing activities (B)</b>				

## Consolidated Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>C.</b>	<b>Cash flow from financing activities</b>				
	Proceed/(Repayments) of long term borrowings	(2,679.29)		3,516.89	
	Proceeds/(Repayments) of short term borrowings	4,977.23		765.40	
	Finance cost paid	(1,617.33)	<b>680.61</b>	(1,301.16)	<b>2,981.13</b>
	<b>Net cash from financing activities (C)</b>				
	<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>		<b>141.14</b>		<b>(256.74)</b>
<b>D.</b>	<b>Opening cash and cash equivalents</b>		586.07		842.81
<b>E.</b>	<b>Closing cash and cash equivalents for the purpose of</b>		<b>727.21</b>		<b>586.07</b>
	<b>Increase in cash &amp; cash equivalents (D-E)</b>		<b>141.14</b>		<b>(256.74)</b>

**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	5.34	4.33
Cheque on hand	-	0.23
Balances with Banks	101.02	129.90
Fixed deposit with Bank original maturity upto 3 months	620.85	451.61

**Supplementary Information**

- Restricted Cash Balance (NOTE 12A)\*

\* amount not included in cash and cash equivalent

**727.21****586.07**

As per our report of even date attached

**For Mehrotra & Mehrotra**

Chartered Accountants

F.R. No 0226C

**CA. Sanjay K. Rai**

Partner

M.No.507946

Place : Lucknow

Date : 21st May, 2024

**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)

## Consolidated Statement of change in equity for the year ended 31st March, 2024

### (a) Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2024	Change during the year	As at 31st March, 2023	Change during the year	As at 31st March, 2022
Balance of Equity Share Capital	1,840.00	-	1,840.00	-	1,840.00
	1,840.00	-	1,840.00	-	1,840.00

### (b) Other equity

(Rs. in lakhs)

Description	General 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, 2022	1,179.90	24.86	12.40	2,688.01	13,579.76	6,069.94	(89.64)	(74.33)	23,390.90
Profit for the period	-	-	-	-	2,321.49	-	-	-	2,321.49
Other Comprehensive Income	-	-	-	-	-	-	4.40	(33.05)	(28.65)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
Transfer to Molasses Fund	-	2.69	-	-	-	-	-	-	2.69
Transfer to retained earning	-	-	-	-	1.01	(1.01)	-	-	-
<b>As at 31st March, 2023</b>	<b>1,179.90</b>	<b>27.55</b>	<b>12.40</b>	<b>2,688.01</b>	<b>15,902.26</b>	<b>6,068.93</b>	<b>(85.24)</b>	<b>(107.38)</b>	<b>25,686.43</b>
Profit for the period	-	-	-	-	2,809.29	-	-	-	2,809.29
Other Comprehensive Income	-	-	-	-	-	-	(3.31)	(14.10)	(17.41)
<b>Total Comprehensive Income</b>	<b>1,179.90</b>	<b>27.55</b>	<b>12.40</b>	<b>2,688.01</b>	<b>18,711.55</b>	<b>6,068.93</b>	<b>(88.55)</b>	<b>(121.48)</b>	<b>28,478.31</b>
Transfer to Molasses Fund	-	3.03	-	-	-	-	-	-	3.03
Transfer to retained earning	-	-	-	-	0.85	(0.85)	-	-	-
<b>As at March 31, 2024</b>	<b>1,179.90</b>	<b>30.58</b>	<b>12.40</b>	<b>2,688.01</b>	<b>18,712.40</b>	<b>6,068.08</b>	<b>(88.55)</b>	<b>(121.48)</b>	<b>28,481.34</b>

As per our report of even date attached

For Mehrotra & Mehrotra  
Chartered Accountants  
F.R. No 0226C

CA. Sanjay K. Rai  
Partner  
M.No.507946

Place : Lucknow  
Date : 21st May, 2024

For and on behalf of Board of Directors

S. C. Agarwal  
Executive Director  
(DIN-02461954)

A. K. Gupta  
Chief Financial Officer

Aditya Jhunjhunwala  
Managing Director  
(DIN-01686189)

Pooja Dua  
Company Secretary  
(M. No. A50996)

# 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, 2024.

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.

### 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

Consolidated 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 31 March 2024
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 assumptions that may differ from actual developments in the



## Notes forming part of Consolidated Financial Statement

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.

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.

Category	31st March, 2023
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

## 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

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 and brand development is amortized over a period of five 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.

## Notes forming part of Consolidated 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
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.

#### A. 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.

## Notes forming part of Consolidated Financial Statement

### 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.

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.

## B. Financial liabilities

### Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

### Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method or at FVTPL.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Derecognition of financial liabilities:

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when, and only when the obligation specified in the contract is discharged or cancelled or expires.

## C. Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 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.

## Notes forming part of Consolidated Financial Statement

### (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 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 payable 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.



## Notes forming part of Consolidated Financial Statement

### 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.

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

- (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



## Notes forming part of Consolidated Financial Statement

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.

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.

### 2.26 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.

## Notes forming part of Consolidated Financial Statement

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.

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.

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**For Mehrotra & Mehrotra**  
Chartered Accountants  
F.R. No 0226C

**CA. Sanjay K. Rai**  
Partner  
M.No.507946

Place : Lucknow  
Date: 21st May, 2024

**For and on behalf of Board of Directors**

**S. C. Agarwal**  
Executive Director  
(DIN-02461954)

**A. K. Gupta**  
Chief Financial Officer

**Aditya Jhunjhunwala**  
Managing Director  
(DIN-01686189)

**Pooja Dua**  
Company Secretary  
(M. No. A50996)

## Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2024

(Rs. in lakhs)

### Note 3: Property, Plant and Equipment

Particulars	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
<b>Gross Block</b>								
Balance as at 1st April,22	930.78	1,356.55	29,134.11	521.94	1,076.29	154.84	124.92	33,299.43
Additions	-	61.48	7,043.70	30.15	0.08	8.90	4.92	7,149.23
Disposal/Deduction	-	-	15.00	(1.10)	-	0.35	-	14.25
<b>Balance as at 31st March,23</b>	<b>930.78</b>	<b>1,418.03</b>	<b>36,162.81</b>	<b>553.19</b>	<b>1,076.37</b>	<b>163.39</b>	<b>129.84</b>	<b>40,434.41</b>
Additions	-	12.72	1,813.21	23.23	-	7.92	2.91	1,859.99
Fair valuation	-	-	-	-	-	-	-	-
Disposal/Deduction/Adjustment	-	-	979.09	-	2.92	-	-	982.01
<b>Balance as at 31st March,24</b>	<b>930.78</b>	<b>1,430.75</b>	<b>36,996.93</b>	<b>576.42</b>	<b>1,073.45</b>	<b>171.31</b>	<b>132.75</b>	<b>41,312.39</b>
<b>Accumulated depreciation</b>								
Balance as at 1st April,22	-	837.80	20,421.86	419.22	863.02	129.20	112.76	22,783.86
Depreciation for the year	-	58.93	1,166.62	31.32	64.13	11.32	7.07	1,339.39
Depreciation due to obsolescence	-	-	-	-	-	-	-	-
Disposal/Deduction	-	-	14.25	-	-	-	-	14.25
<b>Balance as at 31st March,23</b>	<b>-</b>	<b>896.73</b>	<b>21,574.23</b>	<b>450.54</b>	<b>927.15</b>	<b>140.52</b>	<b>119.83</b>	<b>24,109.00</b>
Depreciation for the year	-	116.89	1,808.02	30.40	43.26	10.44	5.26	2,014.27
Amortisation (due to depletion in value)	-	-	-	-	-	-	-	-
Disposal/Deduction	-	-	866.31	-	2.78	-	-	869.09
<b>Balance as at 31st March,24</b>	<b>-</b>	<b>1,013.62</b>	<b>22,515.94</b>	<b>480.94</b>	<b>967.63</b>	<b>150.96</b>	<b>125.09</b>	<b>25,254.18</b>
<b>Net Carrying Amount</b>								
	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
As at 31st March, 2023	930.78	521.30	14,588.58	102.65	149.22	22.87	10.01	16,325.41
<b>As at 31st March, 2024</b>	<b>930.78</b>	<b>417.13</b>	<b>14,480.99</b>	<b>95.48</b>	<b>105.82</b>	<b>20.35</b>	<b>7.66</b>	<b>16,058.21</b>

The title deeds of all immovable properties are held in the name of the Company.

# Notes forming part of Consolidated Financial Statement

## Note 3A Capital work in progress

(Rs. in lakhs)

Description	Amount
<b>Balance as at 01st April, 2022</b>	<b>24.55</b>
Additions	7,274.15
Capitalisation	6,845.52
<b>Balance as at 31st March, 2023</b>	<b>453.18</b>
Additions	2,379.54
Capitalisation	1,657.21
<b>Balance as at 31st March, 2024</b>	<b>1,175.51</b>

Refer note no. 38.26 for ageing

## Note 3B Intangible Assets

(Rs. in lakhs)

Description	Amount
<b>Gross carrying amount as at 01st April, 2022</b>	<b>35.37</b>
Additions	0.70
Deductions	-
<b>Balance as at 31st March, 2023</b>	<b>36.07</b>
Additions	1.39
Deductions	-
<b>Balance as at 31st March, 2024</b>	<b>37.46</b>
<b>Accumulated depreciation as at 01st April, 2022</b>	<b>30.80</b>
Depreciation for the year	1.56
Deductions	-
<b>Balance as at 31st March, 2023</b>	<b>32.36</b>
Depreciation for the year	1.27
<b>Balance as at 31st March, 2024</b>	<b>33.63</b>
<b>Net carrying amount</b>	
<b>As at 31st March, 2023</b>	<b>3.71</b>
<b>As at 31st March, 2024</b>	<b>3.83</b>

## Note 3C Right-of-use-assets

(Rs. in lakhs)

Description	Amount
<b>Gross carrying amount as at 01st April, 2022</b>	<b>6,063.97</b>
Additions	14.21
Deductions	7.02
<b>Balance as at 31st March, 2023</b>	<b>6,071.16</b>
Additions	-
Deductions	7.69
<b>Balance as at 31st March, 2024</b>	<b>6,063.47</b>
<b>Accumulated depreciation as at 01st April, 2022</b>	<b>718.14</b>
Depreciation for the year	246.39
Deductions	7.01
<b>Balance as at 31st March, 2023</b>	<b>957.52</b>
Depreciation for the year	243.54
Deductions	4.16
<b>Balance as at 31st March, 2024</b>	<b>1,196.90</b>
<b>Net carrying amount</b>	
<b>As at 31st March, 2023</b>	<b>5,113.64</b>
<b>As at 31st March, 2024</b>	<b>4,866.57</b>

\* Refer note no.38.24

## Notes forming part of Consolidated Financial Statement

### Note 4 Non-current Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(i) Equity Instruments</b>		
<b>Designated at Fair Value through other comprehensive income</b>		
<b>Unquoted</b>		
(a) 1,000 shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd.	0.10	0.10
(b) 25,000 shares having face value Rs.10 each in K.M Shakar Karkhana Pvt Ltd.	-	4.14
(c) 2,000 shares having face value of Rs. 10 each in HH Foundation	-	-
(d) 10,90,000 shares having face value of Rs. 10 each in Sonar Casting Ltd.	-	-
<b>(ii) Preference share (Measured at amortised cost )</b>		
<b>In 12.50% Non-cumulative redeemable preference shares fully paid up</b>		
4,58,50,000 (3,29,00,000) Preference Shares having face value of Rs.10 each in Sonar Casting Ltd.	4,585.00	3,290.00
<b>In 9% Non-cumulative redeemable preference shares fully paid up</b>		
(a) 38,50,000 preference shares having face value of Rs. 10 each in Brahma Properties Pvt. Ltd.	345.46	343.09
(b) 33,89,215 preference shares having face value of Rs. 10 each in K M Energy Pvt. Ltd.	305.57	303.34
<b>(iii) In 8% Optionally fully convertible debenture fully paid up</b>		
<b>Measured at cost</b>		
2,350 (2,350) Optionally fully convertible Debenture with face Value of Rs.1,00,000 each in K M Strategic Investments & Holdings Pvt. Ltd.	2,350.00	2,350.00
<b>Total</b>	<b>7,586.13</b>	<b>6,290.67</b>
Aggregate carrying value of unquoted investments	7,586.13	6,290.67
Aggregate fair value of unquoted investments	7,586.13	6,290.67

### Note 5 Non-current Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Carried at cost</b>		
<b>Unsecured, considered good</b>		
Loan to a related party	1,037.61	957.65
<b>Total</b>	<b>1,037.61</b>	<b>957.65</b>

### Note 6 Other non-current financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Unsecured, considered good:</b>		
Security deposits	342.85	341.60
<b>Fixed deposit with banks</b>		
Original maturity more than 12 months	18.95	14.50
<b>Fixed deposit (Earmarked)</b>		
Original maturity more than 12 months *	252.11	382.74
For molasses storage fund maturing after 12 months	5.50	-
Interest accrued on fixed deposits with banks	3.43	6.08
<b>Total</b>	<b>622.84</b>	<b>744.92</b>

\*Held with banks and Government departments

## Notes forming part of Consolidated Financial Statement

### Note 7 Non current Tax Asset/(Liability) ( Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Tax	1,133.44	996.95
TDS and TCS Receivable	79.23	65.52
	1,212.67	1,062.47
Less:- Provision for Income Tax for current year	1,045.04	724.35
<b>Total</b>	<b>167.63</b>	<b>338.12</b>

### Note 8 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Unsecured, considered good:				
Capital advances		1,909.16		1,920.62
Advance to suppliers and others				
Considered Good				
Considered doubtful	42.85		43.55	
Less: Allowance for doubtful advance	42.85	-	43.55	-
Others		3.01		2.50
Duties and Taxes Paid under protest		1.34		1.34
Prepaid Expenses		84.45		102.26
<b>Total</b>		<b>1,997.96</b>		<b>2,026.72</b>

### Note 9 Inventories

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(As taken, valued and certified by the Management)		
(a) Raw materials	4.34	3.02
(b) Finished Goods *	37,098.06	33,927.79
(c) Work in progress	592.90	755.88
(d) Stores and spares	703.63	628.21
<b>Total</b>	<b>38,398.93</b>	<b>35,314.90</b>

(Refer Note No. 2.7 for Method of Valuation)

### Note 10 Current Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Designated at fair value through OCI</b>		
Investment in SBI Mutual Fund	0.03	0.02
200.00 (Previous year 200.00) units of SBI Balanced Advantage Fund		
<b>Total</b>	<b>0.03</b>	<b>0.02</b>



## Notes forming part of Consolidated Financial Statement

### Note 11 Trade and other receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>Unsecured, considered good:</b>				
<b>Trade receivables</b>				
Includes unbilled revenue of Rs.144.13 lakhs (previous year Rs.232.36 Lakhs)		2,933.27		604.07
Credit impaired		15.94		15.94
		<b>2,949.21</b>		<b>620.01</b>
Less:- Allowance for doubtful debts		15.94		15.94
<b>Total</b>		<b>2,933.27</b>		<b>604.07</b>

Refer note no. 38.27 for ageing schedule. Includes receivable Rs.2225.41 lakhs from related party(s) (Previous year Rs.130.21)

### Note 12 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Balances with Banks		101.02		129.90
Fixed deposit with Bank original maturity upto 3 months		620.85		451.61
Cheques on Hand		-		0.23
Cash on hand*		5.34		4.33
<b>Total</b>		<b>727.21</b>		<b>586.07</b>

\*As certified by the management

### Note 12A Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Fixed deposits with banks (Earmarked)</b>		
Pledged with bank maturing within 12 months	208.34	-
Pledged with bank for bank guarantee maturing within 12 months*	107.98	8.74
For security with Government authorities maturing within 12 months*	41.24	12.39
For molasses storage fund original maturity period upto 12 months**	26.46	24.94
Fixed deposits with bank		4.45
Unpaid dividend accounts	1.31	1.31
<b>Total</b>	<b>385.33</b>	<b>51.83</b>

\*Held with banks and Government departments

\*\* As per Uttar Pradesh State Molasses Control Rules, 1974

### Note 13 Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
<b>Loans and advances</b>		
Loan to a related party	870.00	450.00
<b>Total</b>	<b>870.00</b>	<b>450.00</b>

### Note 14 Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Interest accrued on fixed deposits with banks	10.05	4.25
Other receivable	-	39.00
<b>Total</b>	<b>10.05</b>	<b>43.25</b>

# Notes forming part of Consolidated Financial Statement

## Note 15 Other current assets

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Unsecured, considered good unless stated otherwise				
Security Deposit				
Unsecured, considered good	26.87		84.90	
Credit impaired	16.00		16.00	
	42.87		100.90	
Less: Allowance for expected credit loss	16.00	26.87	16.00	84.90
Interest receivable from related parties		118.81		156.84
GST and other taxes receivable		155.38		126.45
Advance to employees		15.99		15.11
Advances for supply of goods & services		89.04		181.61
Prepaid Expenses		353.04		284.45
CSR Pre-Spent*		219.00		179.00
Others		103.60		0.40
<b>Total</b>		<b>1,081.73</b>		<b>1,028.76</b>

\*Refer note no. 38.12

## Note 16 Equity Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
<b>Authorised</b>				
Equity Shares of Rs. 2/- each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity Shares of Rs. 2/- each	9,20,00,170	1,840.00	9,20,00,170	1,840.00

### Reconciliation of number and amount of shares outstanding

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
At the beginning of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00
Change during the year	-	-	-	-
Outstanding at the end of the year	9,20,00,170	1,840.00	9,20,00,170	1,840.00

### i) 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 Rs. 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.

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 dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	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	1,43,02,600	15.55
L. K. Jhunjunwala (HUF)	1,00,65,900	10.94	1,00,65,900	10.94
Mr. Aditya Jhunjunwala	52,89,242	5.75	52,89,242	5.75
Marvel Business Pvt. Ltd.	1,20,65,975	13.12	1,20,65,975	13.12

Refer note no.38.29 for details of shares held by promoter and promoter group of the Company

## Notes forming part of Consolidated Financial Statement

### Note 17 Other equity

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>General Reserve</b>		
Opening balance	1,179.90	1,179.90
Add: Changes during the year	-	-
Closing balance	<b>1,179.90</b>	<b>1,179.90</b>
<b>Molasses Storage Fund</b>		
Opening balance	27.55	24.86
Add: Changes during the year	3.03	2.69
Closing balance	<b>30.58</b>	<b>27.55</b>
<b>Sugar Price Equalisation Reserve</b>		
Opening balance	12.40	12.40
Add: Changes during the year	-	-
Closing balance	<b>12.40</b>	<b>12.40</b>
<b>Securities Premium Account</b>		
Opening balance	2,688.01	2,688.01
Add: Changes during the year	-	-
Closing balance	<b>2,688.01</b>	<b>2,688.01</b>
<b>Retained Earnings</b>		
Opening balance	15,902.26	13,579.76
Add: Profit/ Loss during the year	2,809.29	2,321.49
Add: Transfer from Other Comprehensive Income	0.85	1.01
Closing balance	<b>18,712.40</b>	<b>15,902.26</b>
<b>Comprehensive Income</b>		
Opening balance	5,876.31	5,905.97
Add: Changes during the year	(17.41)	(28.65)
Less: Transfer to Retained Earnings	(0.85)	(1.01)
Closing balance	<b>5,858.05</b>	<b>5,876.31</b>
<b>Total</b>	<b>28,481.34</b>	<b>25,686.43</b>

- General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act 1956, it was mandatory to transfer amount before a company can declare dividend, however Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to Rs.31.96 lakhs (Previous year: Rs.24.94 lakhs). [Refer Note No.6 and 12A].
- Sugar Price Equalisation Reserve: Refer note no.38.13
- Securities premium: securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write off equity related expenses like underwriting cost etc.
- Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.
- Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation, gain or loss on equity investments and revaluation of fixed assets in earlier years prior to compliance of Ind AS and revaluation of land.

## Notes forming part of Consolidated Financial Statement

### Note 18 Long term borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non current	Current	Non current
<b>Secured term loans from banks</b>				
State Bank of India-U.P Govt. SEFASU Loan (At amortised cost)	237.69	-	955.19	202.18
State Bank of India GECL 2.0	499.73	409.69	499.73	955.94
Punjab National Bank Car Loan	-	-	20.71	11.29
State Bank of India Term Loan	833.33	833.30	833.33	1,666.66
HDFC Term Loan	625.00	1,562.50	312.50	2,187.50
<b>Total</b>	<b>2,195.75</b>	<b>2,805.49</b>	<b>2,621.46</b>	<b>5,023.57</b>

#### Details of securities offered

- (1) 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.
- (2) 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.
- (3) Rupee Term Loan of State Bank of India and HDFC Bank are secured by exclusive first charge on refinery assets and pari passu 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 a director.

#### Terms of Repayment

(Rs. in lakhs)

Name of the banks / entities	Interest Rate (%)	Amount Outstanding as on 31st March, 2024		Period of maturity as at 31st March, 2024	No. and amount of instalment outstanding
		Current	Non Current		
SBI SEFASU Loan-2018*	5.00	238.77	-	2 months and 3 days	03 monthly instalments of Rs.79.60 lakhs
SBI GECL	8.60	499.73	409.69	1 years 9 months	21 monthly instalment of Rs.45.52 lakhs
SBI Tem Loan	8.85	833.33	833.30	2 years	24 monthly instalment of Rs.69.45 lakhs
HDFC Tem Loan	8.66	625.00	1,562.50	3 years and 6 months	14 Quarterly instalment of Rs.156.25 lakhs
<b>Total</b>		<b>2,196.83</b>	<b>2,805.49</b>		

\* Excluding Rs.1.08 lakhs (Previous year Rs.36.58 lakhs) on account of effective interest rate adjustment being taken to deferred income.

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 19 Lease Liability

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non current	Current	Non current
Lease Liability	-	-	7.31	0.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.31</b>	<b>0.64</b>

### Note 20 Other non current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Corporate Guarantees issued	51.44	72.73
<b>Total</b>	<b>51.44</b>	<b>72.73</b>

### Note 21 Other non current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Government Grant	-	29.48
Other payable	14.50	14.50
<b>Total</b>	<b>14.50</b>	<b>43.98</b>

### Note 22 Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Deferred Tax Liabilities</b>		
Depreciation	1,082.06	1,054.49
<b>Total A</b>	<b>1,082.06</b>	<b>1,054.49</b>
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis	98.66	97.03
Others	201.39	224.17
<b>Total B</b>	<b>300.05</b>	<b>321.20</b>
<b>Total A-B</b>	<b>782.01</b>	<b>733.29</b>

\*Refer Note 37

### Note 23 Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non current	Current	Non current
Provisions for employees benefits*				
Unavailed leave	22.72	37.17	17.90	29.55
Gratuity	53.33	-	71.55	-
Other Provision **	-	451.85	-	451.85
<b>Total</b>	<b>76.05</b>	<b>489.02</b>	<b>89.45</b>	<b>481.40</b>

\* Refer note no.38.4

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

# Notes forming part of Consolidated Financial Statement

## Note 24 Short Term borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured</b>		
<b>Loan payable on demand</b>		
Working capital loans from banks		
State Bank of India	11,719.31	8,227.81
Punjab National Bank	4,483.73	2,980.61
HDFC Bank Ltd.	5,923.97	5,934.89
Yes Bank Ltd.	1,984.29	1,990.76
<b>Unsecured</b>		
Current maturities of long term borrowings*	2,195.75	2,621.46
<b>Total</b>	<b>26,307.05</b>	<b>21,755.53</b>

\* Refer note no.18 for nature of securities and terms of repayment respectively.

## Summary of short term borrowings

Secured borrowings

### Nature of Securities

Working capital loans from State Bank of India, Punjab National Bank, HDFC Bank Ltd. and Yes bank Ltd. are 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 and 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 two Directors.

## Note 25 Trade and other payables

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Trade payable</b>		
Payable to Micro and small enterprises*	233.86	113.47
Payable to other than Micro and small enterprises	14,952.36	12,461.64
<b>Other payables-Suppliers of capital goods</b>		
Payable to Micro and small enterprises*	45.61	24.41
Payable to other than Micro and small enterprises	229.05	405.63
<b>Total</b>	<b>15,460.88</b>	<b>13,005.15</b>

\* Refer note no.38.7

Refer note no.38.28 for ageing schedule

## Note 26 Other current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on borrowings	1.01	5.09
Interest accrued and due on borrowings	23.65	18.11
Security Deposit	277.30	248.25
Salary and other payables to employees	209.20	247.13
Unpaid dividend	1.31	1.31
Outstanding liability of related party	280.39	268.44
Corporate guarantee	21.28	23.66
Other payable *	301.09	317.36
<b>Total</b>	<b>1,115.23</b>	<b>1,129.35</b>

\* Include liability of Rs.237.95 lakhs for lower supply of country liquor etc.



## Notes forming part of Consolidated Financial Statement

### Note 27 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory liabilities	305.52	162.54
Deferred government grant	29.48	118.58
Advances from customers	164.83	182.97
<b>Total</b>	<b>499.83</b>	<b>464.09</b>

### Note 28 Revenue from operations

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Sale of goods</b>		
Sugar*	54,757.58	49,184.79
Molasses	22.80	110.34
Bagasse	2,939.08	877.37
Industrial alcohol	6,148.15	4,186.11
Power	288.09	882.74
Others	1,560.23	1,432.15
<b>Total A</b>	<b>65,715.93</b>	<b>56,673.50</b>
<b>Other operating revenue*</b>		
Export quota sale	-	879.05
Assistance on sugar quota export	-	-
<b>Total B</b>	<b>-</b>	<b>879.05</b>
<b>Total revenue from operations Total A+B</b>	<b>65,715.93</b>	<b>57,552.55</b>

\* Refer Note No. 38.19

### Note 29 Other income

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Interest income</b>		
From Banks and others	412.84	332.03
On income tax refund	11.72	-
Deferred Government Grant*	118.58	118.26
<b>Other non operating income</b>		
Insurance claims	137.25	26.09
Profit on sale of fixed assets	12.40	12.17
Unspent liabilities/balances written back	51.92	252.16
Miscellaneous income	61.13	99.40
Gain on mutual funds	0.01	1.13
Drawback receipt	5.31	
Reversal of provision for doubtful debts/Advances	0.70	1.03
Others**	32.88	35.01
Fair valuation of financial instrument	4.60	259.45
<b>Total</b>	<b>849.34</b>	<b>1,136.73</b>

\* Refer Note No. 38.11

\*\* Measurement of Guarantee commission

## Notes forming part of Consolidated Financial Statement

### Note 30 Cost of materials consumed

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Sugar cane	51,513.78	39,882.41
Bagasse	-	10.57
<b>Total</b>	<b>51,513.78</b>	<b>39,892.98</b>

### Note 31 Purchase of stock in trade

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Other	46.00	177.67
<b>Total</b>	<b>46.00</b>	<b>177.67</b>

### Note 32 Changes in inventories of finished goods, by-products and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Finished goods</b>		
<b>Opening stock</b>		
Sugar	30,616.83	35,735.86
Molasses	1,045.65	1,177.84
Bagasse	1,640.50	94.37
Industrial alcohol	533.20	260.45
Banked Power	58.23	42.62
Others	33.38	9.86
<b>Total (a)</b>	<b>33,927.79</b>	<b>37,321.00</b>
<b>Less : Closing stock</b>		
Sugar	33,947.34	30,616.83
Molasses	1,418.71	1,045.65
Bagasse	1,063.35	1,640.50
Industrial alcohol	527.19	533.20
Banked Power	132.26	58.23
Others	9.21	33.38
<b>Total (b)</b>	<b>37,098.06</b>	<b>33,927.79</b>
<b>Total (a-b)</b>	<b>(3,170.27)</b>	<b>3,393.21</b>
<b>Work-in-progress</b>		
Opening stock	755.88	522.96
Less : Closing stock	592.90	755.88
	<b>162.98</b>	<b>(232.92)</b>
<b>(Increase)/Decrease in Inventories</b>	<b>(3,007.29)</b>	<b>3,160.29</b>

## Notes forming part of Consolidated Financial Statement

### Note 33 Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salary, wages, bonus and other payments	1,841.95	1,604.99
Contribution to provident fund and other funds	111.55	111.69
Workmen and staff welfare expenses	37.98	51.15
Gratuity expense	39.01	32.26
<b>Total</b>	<b>2,030.49</b>	<b>1,800.09</b>

### Note 34 Finance costs

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
<b>Interest expenses</b>		
Cash credit	1,010.93	822.02
Term loan	565.78	426.73
Others	4.82	41.17
<b>Other borrowing costs</b>	72.76	95.25
<b>Total</b>	<b>1,654.29</b>	<b>1,385.17</b>

### Note 35 Depreciation and amortisation expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation		
Depreciation of property, plant & equipments	2,014.27	1,339.39
Amortisation		
Amortisation of intangible assets	1.27	1.56
Amortisation of right to use assets	243.54	246.39
<b>Total</b>	<b>2,259.08</b>	<b>1,587.34</b>

## Notes forming part of Consolidated Financial Statement

### Note 36 Other Expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Consumption of stores and spare parts	711.36	670.16
Packing materials	1,165.71	1,111.76
Power and fuel	296.55	320.08
Rent	221.95	246.73
Repairs to :		
Buildings	98.79	115.67
Plant & Machinery	1,767.91	1,537.96
Others	291.40	270.10
Insurance	138.68	122.96
Rates and taxes	335.09	302.00
Selling expenses :		
Commission to selling agents	223.36	204.79
Other selling expenses	891.48	599.65
Payments to auditors :		
Audit fee (including Limited Review Fees)	10.58	5.08
Tax audit fee	1.50	1.00
Reimbursement of expenses	1.67	0.55
Charity and donation	2.71	2.62
Printing and stationary	14.85	16.12
Communication expenses	17.34	17.42
Travelling expenses	365.31	375.15
Consultancy and legal expenses	176.50	190.35
Directors sitting fees	4.95	4.95
Directors remuneration	739.76	755.76
Miscellaneous expenses	443.64	517.02
CSR expenditure	89.05	81.19
Loss on sale/discard of property, plant and equipment	109.48	-
MAEQ Expenses	-	53.08
Transfer to storage fund for molasses	3.03	2.69
Balances written off	7.97	0.54
Other expenses	27.04	27.04
<b>Total</b>	<b>8,157.66</b>	<b>7,552.42</b>

## Notes forming part of Consolidated Financial Statement

### Note 37 : Tax Reconciliation

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2024 and 31st March, 2023 are as follows:

#### (i) Profit or loss section

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current tax expense	1,045.04	724.35
Tax expense of earlier years	2.64	(2.17)
Deferred tax expense	54.29	89.65
<b>Total</b>	<b>1,101.97</b>	<b>811.83</b>

#### (ii) OCI Section

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net gain / (loss) on remeasurement of defined benefit plans	(18.84)	(44.17)
Unrealised gain/(loss) on FVTOCI equity securities	(4.14)	3.67
Income tax charged to OCI	5.57	11.85
<b>Total</b>	<b>(17.41)</b>	<b>(28.65)</b>

#### Reconciliation of tax expense

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current tax	1,045.04	724.35
Tax expense of earlier years	2.64	(2.17)
Deferred tax	54.29	89.65
<b>Total</b>	<b>1,101.97</b>	<b>811.83</b>
Accounting profit before tax from continuing operations	3,911.26	3,133.32
Applicable tax rate (using Company's tax rate)	25.168%	25.168%
<b>Computed tax expense (A)</b>	<b>984.39</b>	<b>788.59</b>
Expenses not allowable for tax purpose	51.61	(22.93)
Effect of tax deduction	(22.53)	(14.15)
Changes in recognized deductible temporary differences	85.86	62.49
Tax expense of earlier years	2.64	(2.17)
<b>Net adjustment (B)</b>	<b>117.58</b>	<b>23.24</b>
<b>Tax expense (A+B)</b>	<b>1,101.97</b>	<b>811.83</b>

## Notes forming part of Consolidated Financial Statement

(Rs. in lakhs)

Particulars	As at 31st March, 2022	Provided during the year	As at 31st March, 2023	Provided during the year	As at 31st March, 2024
<b>Deferred tax liability:</b>					
Related to Fixed Assets (Depreciation)	975.51	78.98	1,054.49	27.57	<b>1,082.06</b>
<b>Total deferred tax liability (A)</b>	<b>975.51</b>	<b>78.98</b>	<b>1,054.49</b>	<b>27.57</b>	<b>1,082.06</b>
<b>Deferred tax assets:</b>					
Expenses allowable on payment basis	80.55	16.48	97.03	1.63	<b>98.66</b>
Other Ind AS adjustments related to Financial Asset/Liabilities (Net)	239.47	(15.30)	224.17	(22.78)	<b>201.39</b>
<b>Total deferred tax assets (B)</b>	<b>320.02</b>	<b>1.18</b>	<b>321.20</b>	<b>(21.15)</b>	<b>300.05</b>
<b>Deferred Tax Liability / (Asset) (Net) (A - B)</b>	<b>655.49</b>	<b>77.80</b>	<b>733.29</b>	<b>48.72</b>	<b>782.01</b>

### 38.1 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.

#### (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.

## Notes forming part of Consolidated Financial Statement

### 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 Group 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 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Upto 6 months	2,485.73	590.94
6 to 12 Months	435.60	-
More than 12 months	27.88	29.07

The management has made provision for expected credit loss amounting to Rs.15.94 lakhs (Rs.15.94 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
<b>Balance as at 01st April, 2023</b>	15.94
Provided during the year	-
Reversed during the year	-
<b>Balance as at 31st March, 2024</b>	<b>15.94</b>
<b>Balance as at 01st April, 2022</b>	15.97
Provided during the year	-
Reversed during the year	0.03
<b>Balance as at 31st March, 2023</b>	<b>15.94</b>

### 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.



## Notes forming part of Consolidated Financial Statement

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
<b>As at 31st March, 2024</b>				
Term loans	2,195.75	2,805.49	-	5,001.24
Lease liability	-	-	-	-
Loans repayable on demand	24,111.30	-	-	24,111.30
Trade and other payables	15,460.88	-	-	15,460.88
Other financial liabilities	1,115.23	50.21	1.23	1,166.67
<b>Total</b>	<b>42,883.16</b>	<b>2,855.70</b>	<b>1.23</b>	<b>45,740.09</b>

(Rs. in lakhs)

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
<b>As at 31st March, 2023</b>				
Term loans	2,621.46	5,023.57	-	7,645.03
Lease liability	7.31	0.64	-	7.95
Loans repayable on demand	19,134.07	-	-	19,134.07
Trade and other payables	13,005.15	-	-	13,005.15
Other financial liabilities	1,129.35	65.22	7.51	1,202.08
<b>Total</b>	<b>35,897.34</b>	<b>5,089.43</b>	<b>7.51</b>	<b>40,994.28</b>

### 38.2 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. The Group 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 year ended 31st March, 2024 and 31st March, 2023.

(Rs. in lakhs)

Description	As at 31 March, 2024	As at 31 March, 2023
Borrowings	29,112.54	26,779.10
Lease and other financial liabilities	1,166.67	1,210.03
Trade and other payables	15,460.88	13,005.15
Less: Cash and cash equivalents	727.21	586.07
Net debts	45,012.88	40,408.21
Equity share capital	1,840.00	1,840.00
Other equity	28,481.34	25,686.43
Total equity	30,321.34	27,526.43
Total equity and net debt	75,334.22	67,934.64
<b>Gearing ratio (%)</b>	<b>59.75</b>	<b>59.48</b>

(ii) No dividend has been recommended for the financial year ended 31st March, 2024.

### 38.3 Earnings per Share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Group 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	31st March, 23	31st March, 23
Profit attributable to equity shareholders of the Group:	2,809.29	2,321.49
Profit attributable to equity shareholders for basic earnings	2,809.29	2,321.49
Profit attributable to equity shareholders adjusted for dilution effect	2,809.29	2,321.49
Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted)	9,20,00,170	9,20,00,170
<b>Earnings Per Share (Basic &amp; Diluted)</b>	<b>3.05</b>	<b>2.52</b>

### 38.4 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, 2024    31st March, 2023**

Employers' contribution to provident fund

Rs. 111.55 lakhs    Rs. 111.69 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 Year ended 31st March, 2024 (Funded)	Gratuity Year ended 31st March, 2023 (Funded)	Leave Encashment Year ended 31st March, 2024 (Non funded)	Leave Encashment Year ended 31st March, 2023 (Non funded)
<b>I. Expenses recognized in the Statement of Profit and Loss</b>				
Current service cost	33.03	31.26	15.93	14.56
Interest cost	23.79	20.26	3.56	2.80
Past service cost	-	-	-	-
Expected return on plan assets	(17.81)	(19.26)	-	-
<b>Net expenses recognized in Statement of Profit and Loss</b>	<b>39.01</b>	<b>32.26</b>	<b>19.49</b>	<b>17.36</b>
<b>II. Other comprehensive (income)/expenses (Re-measurement)</b>				
Accumulated (gain)/loss opening balance	34.78	9.66	129.46	110.40
Actuarial (gain)/loss – obligation	(0.42)	13.37	26.33	19.06
Actuarial (gain)/loss – plan assets	(7.07)	11.75	-	-
Total Actuarial (gain)/loss	(7.49)	25.12	26.33	19.06
Actuarial (gain)/loss at the end of the period	27.29	34.78	155.79	129.46
<b>III. Net liability/(assets) recognized in the balance sheet</b>				
Present value of obligations at the end of period	343.83	317.20	59.89	47.45
Fair value of the plan assets at the end of period	290.50	245.65	-	-
Funded status surplus/(deficit)	(53.33)	(71.55)	(59.89)	(47.45)
<b>Net liability/(asset) as at year end</b>	<b>53.33</b>	<b>71.55</b>	<b>59.89</b>	<b>47.45</b>
<b>IV. Changes in present value of obligations during the year</b>				
Present value of obligation at the beginning of the year	317.20	279.48	47.45	38.67
Current service cost	33.03	31.26	15.92	14.56
Interest cost	23.79	20.26	3.56	2.80
Past service cost	-	-	-	-
Benefits paid if any	(29.77)	(27.16)	(33.37)	(27.64)
Actuarial loss/ (gain)	(0.42)	13.36	26.33	19.06
<b>Present value of obligation at the year end</b>	<b>343.83</b>	<b>317.20</b>	<b>59.89</b>	<b>47.45</b>
<b>V. Changes in fair value of plan assets</b>				
Fair value of plan assets at the beginning of period	245.65	256.73	-	-
Expected return on plan assets	17.81	19.26	-	-
Contributions	49.74	8.57	-	-
Benefits paid	(29.77)	(27.16)	-	-
Actuarial Gain/(Loss) on plan assets	7.07	(11.75)	-	-
<b>Fair value of plan assets at the year end</b>	<b>290.50</b>	<b>245.65</b>	<b>-</b>	<b>-</b>

## Notes forming part of Consolidated Financial Statement

Description	Gratuity Year ended 31st March, 2024 (Funded)	Gratuity Year ended 31st March, 2023 (Funded)	Leave Encashment Year ended 31st March, 2024 (Non funded)	Leave Encashment Year ended 31st March, 2023 (Non funded)
<b>VI. Maturity profile of defined benefit obligation</b>				
Within in next 12 months	46.08	37.75	22.72	17.90
Between 2 and 5 years	98.31	78.62	37.17	29.55
5 years and above	199.44	200.83	-	-
<b>Total expected payments</b>	<b>343.83</b>	317.20	<b>59.89</b>	47.45
Weighted average duration (based on discounted cash flow) in years	8	8	-	-
<b>Details of plan asset</b>	<b>Gratuity Trust</b>	Gratuity Trust	<b>N/A</b>	N/A
<b>SBI Life Kalyan ULIP Plus (V03)</b>	<b>229.83</b>	228.27	-	-
<b>Bank Balance and Others</b>	<b>60.67</b>	17.38	-	-

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

Particulars	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
Present value of Defined Benefit Obligation	343.83	317.20	279.48	274.61	287.93
Fair value of Plan Assets	290.50	245.65	256.73	250.27	249.14

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)	7.25%	7.50%	7.25%	7.50%
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 at 31st March, 2024
Defined Benefit Obligation (Base)	343.83 lakhs @Salary increase rate: 5%, and discount rate: 7.25%
Liability with x% increase in Discount Rate	321.65 lakhs; x=1.00% [Change (6%)]
Liability with x% decrease in Discount Rate	369.18 lakhs; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	369.51 lakhs; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	321.00 lakhs; x=1.00% [Change (7%)]
Liability with x% increase in Withdrawal Rate	346.81 lakhs; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	341.17 lakhs; 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 at 31st March, 2024
Defined Benefit Obligation (Base)	59.89 lakhs
Liability with x% increase in Discount Rate	56.14 lakhs; x=1% [Change (6%)]
Liability with x% decrease in Discount Rate	64.37 lakhs; x=1% [Change 7%]
Liability with x% increase in Salary Growth Rate	64.43 lakhs; x=1% [Change 8%]
Liability with x% decrease in Salary Growth Rate	56.03 lakhs; x=1% [Change (6%)]
Liability with x% increase in Withdrawal Rate	60.79 lakhs; x=1% [Change 2%]
Liability with x% decrease in Withdrawal Rate	59.00 lakhs; x=1% [Change (1%)]

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

#### Contingent liabilities:

(Rs. in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Claims against the Group not acknowledged as debts in respect of pending cases of employees under Labour laws	84.37	82.37
(ii) Claims against the Group not acknowledged as debts in respect of Criminal and Civil Cases	25.34	25.34
(iii) Bank guarantees given to the Central Government and oil manufacturing companies	183.68	138.79
(iv) Corporate guarantee given by the Group for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks).	6113.96	6895.88
(v) Disputed Entry Tax cases under appeal*	-	-
(vi) Income Tax cases under appeal	690.73	657.31
(vii) Penalty levied by Competition Commission of India, Commissioner Excise, UP and Regulatory fee	50.23	50.23

\* Amount after deducting Rs.1.34 lakhs (As on 31st March 2023 Rs.1.34 lakhs) paid under protest.

## Notes forming part of Consolidated Financial Statement

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 Group.

The Cane Commissioner, Uttar Pradesh has passed an order dated 17.12.2021 for payment of 12% interest on late cane payment of sugar season 2013-14. The Group has filed appeal before Cane Commissioner, Uttar Pradesh. No impact has been considered in financial results as the interest amount is indeterminate and pending appeal.

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	As at 31 March, 2024	As at 31 March, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	398.90	416.33
Less: Advances paid against above	75.73	23.77
<b>Net Amount</b>	<b>323.17</b>	<b>392.56</b>

### 38.6 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, 2024

(Rs. in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Lease Liabilities in respect of long term lease	-	7.31
Non-Current Lease Liabilities	-	0.64
<b>Total</b>	<b>-</b>	<b>7.95</b>

Following is the movement in long term lease liabilities during the year ended 31 March, 2024

(Rs. in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning	7.95	0.58
Additions during the year	-	14.21
Finance cost accrued during the year	-	0.83
Payment of Lease Liabilities during the year	7.95	7.67
Translation Differences	-	-
<b>Balance at the end</b>	<b>-</b>	<b>7.95</b>

## Notes forming part of Consolidated Financial Statement

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2024 on an undiscounted basis:

(Rs. in lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Future Minimum Lease Payment</b>		
Not later than one year	-	7.31
Later than one year but not later than five year	-	0.64
Later than five year	-	-
<b>Total</b>	<b>-</b>	<b>7.95</b>

### 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.5.84 lakhs (previous year Rs.5.79 lakhs).

**38.7** 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 Group is given below:

### As at 31st March, 2024

(Rs. in lakhs)

S.No.	Particulars	Trade payable	Payable to supplier of capital goods	Total
(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	233.86	45.61	279.47
	Interest due on above	0.01	-	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.	0.01	-	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

As at 31st March, 2023

(Rs. in lakhs)

S.No.	Particulars	Trade payable	Payable to supplier of capital goods	Total
(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	113.47	24.41	137.88
	Interest due on above	0.01	-	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.	0.01	-	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	-	-	-

### 38.8 Related Party Disclosures: -

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

#### 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
- Mrs. Madhu Mathur -Independent Director
- Shri S. K. Gupta -Independent Director
- Shri Sushil Solomon -Independent Director
- Shri Bibhash Kumar Srivastava -Independent Director
- Dr. Bakshi Ram -Independent Director

## Notes forming part of Consolidated Financial Statement

- ii. Relatives of Key Management Personnel (Group B)
  - Smt. Naina Jhunjhunwala (Wife of Shri L.K. Jhunjhunwala)
  - Shri Vatsal Jhunjhunwala (Son of Shri Aditya Jhunjhunwala)
  - Ms. Palak Jhunjhunwala (Daughter of Shri Sanjay Jhunjhunwala)
- iii. Enterprises/ Parties over which Key management personnel or their relatives have substantial interest/ significant influence (Group C)
  - Benares Inorganics Pvt. Ltd.
  - Brahma Properties Pvt. Ltd.
  - Francoise Commerce Pvt. Ltd.
  - Indian Sugar Exim Corporation Ltd.
  - K M Energy Pvt. Ltd.
  - K M Vyapar Ltd.
  - K M Strategic Investments and Holdings Pvt. Ltd.
  - K M Particle Boards Pvt. Ltd.
  - Marvel Business Pvt. Ltd.
  - Shri Shakti Credits Ltd.
  - Sonar Casting Ltd.
  - Shri Laxmi Public Charitable Trust
  - Zar International Pvt. Ltd.

### c) Transactions with the related parties:

(Rs . in lakhs)

Sl. no.	Nature of transaction/ Name of the related party	Subsidiary 2023-24 (2022-23)	Key Managerial Personnel (KMP) 2023-24 (2022-23)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2023-24 (2022-23)	Total 2023-24 (2022-23)
<b>i.</b>	<b>Investment made</b>				
	Sonar Casting Ltd.	- (-)	- (-)	1295.00 (1250.00)	1295.00 (1250.00)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	- (1850.00)	- (1850.00)
<b>ii.</b>	<b>Remuneration including commission and PF#</b>				
	Shri L. K. Jhunjhunwala	- (-)	250.92 (216.73)	- (-)	250.92 (216.73)
	Shri Aditya Jhunjhunwala	- (-)	274.33 (322.74)	- (-)	274.33 (322.74)
	Shri Sanjay Jhunjhunwala	- (-)	168.90 (170.85)	- (-)	168.90 (170.85)
	Shri S. C. Agarwal	- (-)	54.11 (54.38)	- (-)	54.11 (54.38)
	Shri Vatsal Jhunjhunwala	- (-)	- (-)	24.00 (24.00)	24.00 (24.00)
	Shri Arvind Kumar Gupta	- (-)	22.66 (19.49)	- (-)	22.66 (19.49)
	Ms. Pooja Dua	- (-)	7.07 (5.96)	- (-)	7.07 (5.96)
<b>iii.</b>	<b>Education fee paid</b>				
	Ms. Palak Jhunjhunwala	- (-)	- (-)	76.42 (-)	76.42 (-)
<b>iv.</b>	<b>Rent paid</b>				
	Sri Shakti Credits Ltd.	- (-)	- (-)	3.00 (3.00)	3.00 (3.00)

## Notes forming part of Consolidated Financial Statement

	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (1.14)	1.14 (1.14)
	K M Vyapar Ltd.	- (-)	- (-)	160.02 (160.02)	160.02 (160.02)
	Marvel Business Pvt. Ltd.	- (-)	- (-)	7.20 (7.20)	7.20 (7.20)
	Brahma Properties Pvt. Ltd.	- (-)	- (-)	6.00 (-)	6.00 (-)
<b>v.</b>	<b>MAEQ export facilitation charges /expenses reimbursement</b>				
	Indian Sugar Exim Corporation Ltd.	- (-)	- (-)	- (48.03)	- (48.03)
<b>vi.</b>	<b>Loans taken</b>				
	Benares Inorganics Pvt. Ltd.	- (-)	- (-)	- (1500.00)	- (1500.00)
<b>vii.</b>	<b>Loans repaid</b>				
	Benares Inorganics Pvt. Ltd.	- (-)	- (-)	- (1500.00)	- (1500.00)
<b>viii.</b>	<b>Loans given</b>				
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	705.00 (2750.00)	705.00 (2750.00)
<b>ix.</b>	<b>Loans received back</b>				
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	285.00 (2300.00)	285.00 (2300.00)
<b>x.</b>	<b>Sitting fees paid</b>				
	Smt. Madhu Mathur	- (-)	0.90 (0.90)	- (-)	0.90 (0.90)
	Shri S. K. Gupta	- (-)	1.45 (1.45)	- (-)	1.45 (1.45)
	Shri Bibhash Kumar Srivastava	- (-)	1.00 (1.00)	- (-)	1.00 (1.00)
	Shri Sushil Solomon	- (-)	1.20 (1.20)	- (-)	1.20 (1.20)
	Dr. Bakshi Ram*	- (-)	0.40 (0.40)	- (-)	0.40 (0.40)
<b>xi.</b>	<b>Bagasse Sale</b>				
	K M Particle Boards Pvt. Ltd.	- (-)	- (-)	1028.66 (130.21)	1028.66 (130.21)
<b>xii.</b>	<b>Sugar Sale</b>				
	Francoise Commerce Pvt. Ltd.	- (-)	- (-)	1354.90 (-)	1354.90 (-)
<b>xiii.</b>	<b>CSR paid</b>				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	120.00 (150.00)	120.00 (150.00)
<b>xiv.</b>	<b>Interest paid</b>				
	Benares Inorganics Pvt. Ltd.	- (-)	- (-)	- (30.90)	- (30.90)
<b>xv.</b>	<b>Interest received</b>				
	Sonar Casting Ltd.	- (-)	- (-)	88.84 (75.44)	88.84 (75.44)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	259.51 (217.08)	259.51 (217.08)
<b>xvi.</b>	<b>Balance outstanding</b>				
	<b>a. Amount payable</b>				
	Shri L K Jhunjunwala	- (-)	176.18 (152.28)	- (-)	176.18 (152.28)
	Shri Aditya Jhunjunwala	- (-)	46.54 (58.89)	- (-)	46.54 (58.89)
	Shri Sanjay Jhunjunwala	- (-)	27.36 (38.48)	- (-)	27.36 (38.48)
	Shri S. C. Agarwal	- (-)	2.25 (1.64)	- (-)	2.25 (1.64)
	Shri Vatsal Jhunjunwala	- (-)	(-)	1.62 (1.53)	1.62 (1.53)
	Sri Shakti Credits Ltd.	- (-)	- (-)	3.11 (0.27)	3.11 (0.27)
	K M Vyapar Ltd.	- (-)	- (-)	14.81 (14.81)	14.81 (14.81)
	Zar International Pvt. Ltd.	- (-)	- (-)	2.28 (1.14)	2.28 (1.14)

## Notes forming part of Consolidated Financial Statement

Brahma Properties Pvt Ltd.	- (-)	- (-)	5.40 (-)	5.40 (-)
Marvel Business Pvt Ltd.	- (-)	- (-)	5.48 (-)	5.48 (-)
<b>b. Amount receivable</b>				
<b>Loan</b>				
Sonar Casting Ltd.	- (-)	- (-)	875.00 (875.00)	875.00 (875.00)
K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	870.00 (450.00)	870.00 (450.00)
Interest				
Sonar Casting Ltd.	- (-)	- (-)	162.61 (82.65)	162.61 (82.65)
K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	118.91 (156.84)	118.91 (156.84)
<b>Bagasse Sale</b>				
K M Particle Boards Pvt. Ltd.	- (-)	- (-)	801.34 (130.21)	801.34 (130.21)
<b>Sugar Sale</b>				
Francoise Commerce Pvt. Ltd.	- (-)	- (-)	1424.08 (-)	1424.08 (-)
<b>c. Corporate guarantee given by the Group for loan sanctioned/ availed by</b>				
Sonar Casting Limited.	- (-)	- (-)	6113.96 (6895.88)	6113.96 (6895.88)
<b>d . Investment Held (Cost)</b>				
Equity share in Sonar Casting Limited	- (-)	- (-)	109.00 (109.00)	109.00 (109.00)
Preference share in Sonar Casting Limited			4585.00 ( 3290.00)	4585.00 (3290.00)
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)
OFCD in K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	2350.00 (500.00)	2350.00 (500.00)

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

### #Directors Remuneration

(Rs. in lakhs)

S. No.	Particulars	Chairman	Managing Director	Jt. Managing Director	Executive Director	Total
1	Salary	150.00 (150.00)	150.00 (150.00)	150.00 (150.00)	48.00 (48.00)	498.00 (498.00)
2	Commission	100.00 (60.00)	100.00 (150.00)	-	-	200.00 (210.00)
3	Contribution to Provident Fund	- (6.00)	18.00 (18.00)	18.00 (18.00)	5.76 (5.76)	41.76 (47.76)
4	Perquisites:					
	(i) Residence	- (11.31)	7.20 (-)	- (-)	3.62 (3.65)	10.82 (14.96)
	(ii) Medical Reimbursement	0.92 (0.73)	6.33 (4.74)	0.90 (2.85)	0.35 (0.62)	8.50 (8.94)
	(iii) Other benefits	0.79 (1.13)	19.36 (0.79)	0.79 (0.40)	0.70 (0.70)	21.64 (3.02)
	<b>Total</b>	<b>251.71 (229.17)</b>	<b>300.89 (323.53)</b>	<b>169.69 (171.25)</b>	<b>58.43 (58.73)</b>	<b>780.72 (782.68)</b>

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.

## Notes forming part of Consolidated Financial Statement

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 Group.

The aforementioned related party transactions have been recommended by Audit Committee and approved by the Board in their respective meetings held during the year.

### 38.9 Segment Reporting: Information on the Segment Reporting is as under:

The Group has identified three primary business segments viz. Sugar and Distillery. 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	Unallocable	Total
<b>Revenue</b>				
Gross sales	61,296.03	7,592.70	-	68,888.73
	(54,349.14)	(5,391.36)	(-)	(59,740.50)
Less: Inter segment sales	3,172.80	-	-	3,172.80
	(2,187.95)	(-)	(-)	(2,187.95)
<b>External sales</b>	<b>58,123.23</b>	<b>7,592.70</b>	<b>-</b>	<b>65,715.93</b>
	<b>(52,161.19)</b>	<b>(5,391.36)</b>	<b>(-)</b>	<b>(57,552.55)</b>
Add: Other income	790.98	58.07	0.29	849.34
	(954.36)	(182.13)	(0.24)	(1,136.73)
<b>Total revenue</b>	<b>58,914.21</b>	<b>7,650.77</b>	<b>0.29</b>	<b>66,565.27</b>
	<b>(53,115.55)</b>	<b>(5,573.49)</b>	<b>(0.24)</b>	<b>(58,689.28)</b>
<b>Segment results</b>	<b>4,824.63</b>	<b>740.72</b>	<b>0.20</b>	<b>5,565.55</b>
	<b>(4,337.01)</b>	<b>(181.33)</b>	<b>(0.15)</b>	<b>(4,518.49)</b>
Less: Finance cost	1,631.25	23.03	0.01	1,654.29
	(1,366.61)	(18.55)	(0.01)	(1,385.17)
<b>Profit before tax</b>	<b>3,193.38</b>	<b>717.69</b>	<b>0.19</b>	<b>3,911.26</b>
	<b>(2,970.40)</b>	<b>(162.78)</b>	<b>(0.14)</b>	<b>(3,133.32)</b>
Current tax				1,047.68
				(722.18)
Deferred tax				54.29
				(89.65)
<b>Profit after tax</b>				<b>2,809.29</b>
				<b>(2,321.49)</b>
<b>Other information</b>				
Segment assets	70,430.74	7,486.85	5.25	77,922.84
	(63,532.74)	(6,794.99)	(5.19)	(70,332.92)
Segment liabilities	45,292.52	1,526.89	782.09	47,601.50
	(40,638.09)	(1,434.94)	(733.46)	(42,806.49)
Capital Expenditure	1,889.12	694.59	-	2,583.71
	(7,065.53)	(527.24)	(-)	(7,592.77)
Depreciation and amortisation	1,708.17	550.91	-	2,259.08
	(1,120.66)	(466.68)	(-)	(1,587.34)

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

## Notes forming part of Consolidated 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 Group 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.

### 38.10 Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Group'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 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
<b>Financial assets</b>				
<b>FVOCI financial instruments:</b>				
Unquoted equity shares	0.10	4.24	0.10	4.24
<b>Fair Value through Statement of Profit &amp; Loss</b>				
Investment in Preference Shares	5,236.03	3,936.43	5,236.03	3,936.43
Investment in OFCD	2,350.00	2,350.00	2,350.00	2,350.00
Corporate guarantee	72.72	96.39	72.72	96.39
<b>Fair value of assets through Other Comprehensive Income</b>				
Free hold Land	930.78	930.78	930.78	930.78
<b>Total</b>	<b>8,589.63</b>	<b>7,317.84</b>	<b>8,589.63</b>	<b>7,317.84</b>

(Rs. in lakhs)

Description	Carrying value		Fair Value	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
<b>Financial liabilities at amortized cost through statement of profit and loss</b>				
Loan taken from Bank, Government and others				
Fixed rate borrowings	237.69	1,157.37	237.69	1,157.37
Floating rate borrowings	4,763.55	6,487.66	4,763.55	6,487.66
<b>Total</b>	<b>5,001.24</b>	<b>7,645.03</b>	<b>5,001.24</b>	<b>7,645.03</b>

### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

## Notes forming part of Consolidated Financial Statement

### Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2024:

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	31st March, 2024	-	-	Yes
Preference Share	31st March, 2024	-	-	Yes

#### 38.11 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
<b>Revenue related to Government Grant</b>			
Financial Assistance from the State Government	Nil	2023-24	Nil
<b>Deferred Government Grant</b>			
Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant)	29.48	2023-2024	A sum of Rs.118.58 lakhs considered for part of the year as government grant under Note-29. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan.

#### 38.12 Expenditure incurred on corporate social responsibilities (CSR)

Details of expenditure on corporate social responsibility activities as per Section 135 of Companies Act , 2013 read with schedule III are as below:

#### A. Statement of CSR Obligation

(Rs. in lakhs)

Sl. no.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Average net profits of the Company as per Section 135(5)	4,058.15	3,951.69
b)	Two percent of the average net profits of the Company as per Section 135(5)	81.16	79.03
c)	Amount approved by the Board for CSR during the Year	89.05	81.19
d)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil	Nil
e)	Amount required to be set off for the financial year, if any	89.05	81.19
f)	Total CSR obligation for the financial year [(c)+(d)-(e)]	Nil	Nil



## Notes forming part of Consolidated Financial Statement

### B. Statement of CSR Expenditure

(Rs. In lakhs)

Sl. no.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)		
	- For contribution in hospital construction and asset	120.00	150.00
	- For rural development etc.	0.24	1.19
	- Preventive health care and sanitation	0.51	-
	- For contribution towards schools to promote education	8.30	-
	<b>Total</b>	<b>129.05</b>	<b>151.19</b>
b)	Amount spent in Administrative Overheads	Nil	Nil
c)	Amount spent on Impact Assessment, if applicable	Nil	Nil
d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	129.05	151.19
e)	Total CSR obligation for the financial year	Nil	Nil
f)	Excess CSR Expenditure available for Carry Forward	129.05	151.19

### C. Statement of Carry Forward

(Rs. In lakhs)

Sl. no.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
a)	Excess CSR Expenditure carried forward	109.00	70.00	129.05
b)	Set off during the Financial year 2022-23	Nil	N/A	N/A
c)	Set off during the Financial year 2023-24	89.05	Nil	N/A
d)	Balance to be Carried Forward	*19.95	#70.00	^129.05
e)	Total amount Carried Forwarded			219.00

\*available for set off till the financial year 2024-25

#available for set off till the financial year 2025-26

^available for set off till the financial year 2026-27

**38.13** 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 Group and further, during the year 1998-99 a sum of Rs.1.00 lakhs were paid towards Excise Duty on the above. The Group 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, 2023 shown under Note 17 of "Other equity".

**38.14** 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.

**38.15** Other non-current liabilities (Note No.21) 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 Group on the said loan and therefore, no interest is being provided for in these financial statements.

**38.16** 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 was moved in earlier years to the Distillery Unit for manufacturing of country liquor. Thus, depreciation due to obsolescence has been provided on building amounting to Rs. Nil in the current year. (Previous year –Rs.12.19 lakhs).

- 38.17** 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.
- 38.18** 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 in preference shares of Sonar Casting Ltd. considering dividend at 12.50% and this fact has been taken into account while determining the fair value of these investments. However, no dividend received on these investment since amount invested.
- 38.19** The Central Government pursuant to Notification No. 1(1)/2022-Trade dated 5th November, 2022 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified sugar mill wise export quantity of sugar for export in sugar season 2022-23 in order to prevent uncontrolled export of sugar and with a view to ensure sufficient availability of sugar for domestic consumption at a reasonable price. The notification also provides facility to export sugar themselves or through merchant exporter or exchange their export quota with domestic quota of any other sugar mill.

Pursuant to above notification, the Group has sold its export quota for exchange with domestic quota of any other sugar mill. The amount received on sale of export quota of Rs. Nil (Previous year Rs.879.05 lakhs) has been shown as line item "Export quota sale receipt" under Revenue from operations.

### 38.20 Imported and Indigenous Raw Materials, Packing Materials and Stores and Spares consumed

(Rs. In lakhs)

Description	As at 31st March, 2024		As at 31st March, 2023	
	% of total consumption	Amount	% of total consumption	Amount
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenous	100%	51,513.78	100%	39892.98
<b>Stores and packing material</b>				
Imported	-	-	-	-
Indigenous	100%	1,877.07	100%	1781.92

### 38.21 Income in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2024	31st March, 2023
Export sale	-	-

### 38.22 Expenditure in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2024	31st March, 2023
Travelling	30.60	56.25
Others	82.88	4.46

- 38.23** The Group 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.

- 38.24** The company has lease hold land from U P Government and out of which 3 hectare land has been sub-leased to K M Particle Boards Pvt. Ltd. vide sub-lease deed dated 23.01.2024 executed by U. P. Government, K M Sugar Mills Ltd. and K M Particle Boards Pvt. Ltd. and registered on 03.02.2024.

## Notes forming part of Consolidated Financial Statement

### 38.25 Components of Other Comprehensive Income

The disaggregation of changes to OCI in equity is shown below:

(Rs. in lakhs)

Description	Comprehensive Income ( Net of Tax)	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Gain/(loss) on equity instruments	(3.31)	4.40
Re-measurement gain/(loss) on defined benefit plans	(14.10)	(33.05)
<b>Total</b>	<b>(17.41)</b>	<b>(28.65)</b>

### 38.26 Capital work in progress (Under property, plant and equipment, intangible asset) ageing schedule

For the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1 -2 year	2- 3 year	More than 3 year	
Plant and machinery in progress	482.91	4.03	5.41	-	492.35
Building work	269.36	399.18	4.54	-	673.08
Building work temporarily suspended*	-	-	-	10.08	10.08
<b>Total</b>	<b>752.27</b>	<b>403.21</b>	<b>9.95</b>	<b>10.08</b>	<b>1,175.51</b>

\* The completion of building is overdue as plan is under approval with development authority, hence completion date can not be estimated.

For the year ended 31st March, 2023

(Rs. in lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1 -2 year	2- 3 year	More than 3 year	
Plant and machinery in progress	33.97	5.41	-	-	39.38
Building work	399.18	4.54	-	-	403.72
Building work temporarily suspended*	-	-	-	10.08	10.08
<b>Total</b>	<b>433.15</b>	<b>9.95</b>	<b>-</b>	<b>10.08</b>	<b>453.18</b>

\* The completion of building is overdue as plan is under approval with development authority, hence completion date can not be estimated.

## Notes forming part of Consolidated Financial Statement

### 38.28 Trade receivable ageing schedule

For the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Unbilled revenue*	Not due	Outstanding from due date of payment					Total
			Less than 6 months	6 months to 1 year	1 -2 year	2- 3 year	More than 3 year	
Undisputed Trade receivables - considered good	144.13	323.72	2,017.88	435.60	10.99	0.95	-	2,933.27
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	0.03	0.03
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	15.91	15.91
<b>Total</b>	<b>144.13</b>	<b>323.72</b>	<b>2,017.88</b>	<b>435.60</b>	<b>10.99</b>	<b>0.95</b>	<b>15.94</b>	<b>2,949.21</b>

\*Represents bills for the month of March 2024 which were subsequently billed in the following month.

For the year ended 31st March, 2023

(Rs. in lakhs)

Particulars	Unbilled revenue*	Not due	Outstanding from due date of payment					Total
			Less than 6 months	6 months to 1 year	1 -2 year	2- 3 year	More than 3 year	
Undisputed Trade receivables - considered good	232.36	152.00	206.58	-	13.13	-	-	604.07
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	0.03	-	0.03
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	15.91	15.91
<b>Total</b>	<b>232.36</b>	<b>152.00</b>	<b>206.58</b>	<b>-</b>	<b>13.13</b>	<b>0.03</b>	<b>15.91</b>	<b>620.01</b>

\* Represents bills for the month of March 2023 which were subsequently billed in the following month.

## Notes forming part of Consolidated Financial Statement

### 38.28 Trade payable ageing schedule

For the year ended 31st March, 2024

(Rs. in lakhs)

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 year	2- 3 year	More than 3 year	
MSME	-	233.29	-	-	-	233.29
Others	3,469.02	11,430.21	20.38	13.70	19.05	14,952.36
Disputed dues-MSME	-	-	-	-	0.57	0.57
Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>3,469.02</b>	<b>11,663.50</b>	<b>20.38</b>	<b>13.70</b>	<b>19.62</b>	<b>15,186.22</b>

For the year ended 31st March, 2023

(Rs. in lakhs)

Particulars	Not due	Outstanding from due date of payment				Total
		Less than 1 year	1-2 year	2- 3 year	More than 3 year	
MSME	-	113.47	-	-	-	113.47
Others	4,029.75	8,340.16	67.01	3.98	20.74	12,461.64
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>4,029.75</b>	<b>8,453.63</b>	<b>67.01</b>	<b>3.98</b>	<b>20.74</b>	<b>12575.11</b>

### 38.29 Details of shares held by promoter and promoter group of the Company

Equity Shares held by promoters as at 31st March, 2024 and 31st March, 2023

(Rs. in lakhs)

Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
<b>Promoters</b>						
Lakshmi Kant Jhunjunwala	1,43,02,600	15.55%	-	1,43,02,600	15.55%	-
Lakshmi Kant Dwarkadas -HUF	1,00,65,900	10.94%	-	1,00,65,900	10.94%	-
Aditya Jhunjunwala	52,89,242	5.75%	-	52,89,242	5.75%	-
Sanjay Jhunjunwala	24,94,600	2.71%	-	24,94,600	2.71%	-

## Notes forming part of Consolidated Financial Statement

(Rs. in lakhs)

Promoter Name	As at 31st March, 2024			As at 31st March, 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
<b>Promoter group</b>						
Naina Jhunjhunwala	41,80,748	4.54%	-0.002%	41,82,748	4.55%	-
Prakash Chandra Dwarkadas Jhunjhunwala–HUF	-	-	-	-	-	-3.56%*
Umadevi Jhunjhunwala	-	-	-	-	-	-2.77%*
Madhu Prakash Jhunjhunwala	-	-	-	-	-	-1.71%*
Vatsal Jhunjhunwala	4,99,721	0.54%	-	4,99,721	0.54%	-
Vridhi Trust	1,88,780	0.21%	-	1,88,780	0.21%	-
Shivam Shorewala	1,20,549	0.13%	-	1,20,549	0.13%	-
Marvel Business Private Ltd.	1,20,65,975	13.12%	-	1,20,65,975	13.12%	-
K M Vyapar Ltd.	22,83,364	2.48%	-	22,83,364	2.48%	-
Jhunjhunwala Securities Pvt. Ltd.	5,00,000	0.54%	-	5,00,000	0.54%	-
Francoise Commerce Pvt. Ltd.	20	.	.	20	.	.

\* Shares held by Prakash Chandra Dwarkadas Jhunjhunwala–HUF, Uma Devi Jhunjhunwala and Madhu Prakash Jhunjhunwala classified under promoter group category were reclassified to Public category vide approval letter No. NSE/LIST/218 dated 26.09.2022 of National Stock Exchange of India Ltd. and letter No. LIST/COMP/YG/272/2022-23 dated 26.09.2022 of BSE Ltd.

^ Shares held by Shivam Trust was vested to Mr. Shivam Shorewala

### 38.30 Loans to promoter, director and related parties etc.

**For the year ended 31st March, 2024**

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter	-	-
Loan to Director	-	-
Loan to KMPs	-	-
Loan to related party	1,907.61	100%

**For the year ended 31st March, 2023**

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter	-	-
Loan to Director	-	-
Loan to KMPs	-	-
Loan to related party	1,407.65	100%

## Notes forming part of Consolidated Financial Statement

### 38.31 Financial ratios

The following are analytical ratios for the year ended 31st March, 2024 and 31st March, 2023

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023	Change
Current Ratio	Current assets	Current liabilities	1.02	1.04	-1.92%
Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.96	0.97	-1.03%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Note 2)	1.58	1.92	-17.71%
Return on Equity Ratio	Profit for the year	Average Total Equity	9.71	8.80	10.34%
Inventory turnover ratio	Revenue from Operations	Average Inventory	1.85	1.62	14.20%
Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	37.16	54.93	-32.35%*
Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	3.86	3.25	18.77%
Net capital turnover ratio	Revenue from Operations	Working Capital	69.36	35.35	96.21%^
Net profit ratio	Profit for the year	Revenue from Operations	4.27%	4.03%	24bps
Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	15.76%	12.85%	291bps
Return on investment	Profit for the year	Average Total Assets	3.79%	3.45%	34bps

\* Delayed realisation of trade receivable

^ Increase in current liability of cane price increase for season 2023-24

Note 1: Debt includes lease liabilities

Note 2: Debt service = Interest and Lease payments and Principal Repayments

Note 3: EBIT = Profit before exceptional items + Finance Costs

Note 4: Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities

**38.32 The difference between the value as per books of accounts and as per quarterly statement submitted with lenders are given below:**

**For the year ended 31st March, 2024**

(Rs. in lakhs)

Quarter ending	Value as per books of accounts	Value as per quarterly statement submitted with lenders	Difference	Reasons for difference
June 30, 2023	24,048.68	21,610.75	2,437.93	The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets in the statements filed with the lenders.
September 30, 2023	10,644.59	8,179.18	2,465.41	
December 31, 2023	17,621.13	13,434.86	4,186.27	
March 31, 2024	41,332.20	39,828.43	1,503.77	



## Notes forming part of Consolidated Financial Statement

For the year ended 31st March, 2023

(Rs. in lakhs)

Quarter ending	Value as per books of accounts	Value as per quarterly statement submitted with lenders	Difference	Reasons for difference
June 30, 2022	31,810.03	29,910.89	1,899.14	The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets in the statements filed with the lenders.
September 30, 2022	18,354.88	17,284.20	1,070.68	
December 31, 2022	13,565.83	9,668.32	3,897.51	
March 31, 2023	35,918.97	30,991.26	4,927.71	

### 38.33 Other statutory information

- i. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group.
- ii. The Group does not have any transactions with companies struck off.
- iii. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v. The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- vi. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii. The Group has not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 38.34 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.

### 38.35 Figures in brackets pertain to previous year.

### 38.36 The previous year's figures have been regrouped, reclassified, reworked and rearranged wherever necessary to correspond with the current year.

As per our report of even date attached

**For Mehrotra & Mehrotra**  
Chartered Accountants  
F.R. No 0226C

**CA. Sanjay K. Rai**  
Partner  
M.No.507946

Place : Lucknow  
Date : 21st May, 2024

For and on behalf of Board of Directors

**S. C. Agarwal**  
Executive Director  
(DIN-02461954)

**A. K. Gupta**  
Chief Financial Officer

**Aditya Jhunjhunwala**  
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 51st Annual General Meeting of the K. M. Sugar Mills Ltd. will be held through Video Conference / Other Audio Visual Means, on Saturday, the 03rd day of August, 2024 at 11:00 a.m. to transact the following business:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the standalone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director pursuant to section 152(6) of the companies Act, 2013 in place of Shri Sanjay Jhunjhunwala (DIN-01777954), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director pursuant to section 152(6) of the Companies Act, 2013 in place of Shri Subhash Chandra Aggarwala (DIN- 01261954), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS: -

4. To ratify the remuneration of Cost Auditor appointed for the financial year 2024-25 and if thought fit to pass, the following resolution as an Ordinary Resolution: -

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of M/s. Aman Malviya & Associate, Cost Accountants (Firm Registration No.: 000189), appointed by the Board of Directors, on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company for the Financial Year ending 31st March, 2025, at a remuneration of Rs. 50,000.(Rupees Fifty thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified.

5. To re-appoint Shri Sushil Solomon (DIN – 08553009) as an Independent Director and, if thought fit, to pass, the following resolution as a Special resolution: -

**"RESOLVED THAT** pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 The Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b), 17 including Regulation 17 (1A), 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof) and the provisions of the Articles of

Association of the Company and on recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors at their respective Meetings held on 21st May, 2024, Shri Sushil Solomon (DIN – 08553009) aged about 72 years, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is eligible for re-appointment and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 years w.e.f. 06th August, 2024 up to 05th August, 2029.

**"RESOLVED FURTHER THAT** Shri Aditya Jhunjhunwala, Managing Director and Ms. Pooja Dua, Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

6. To appoint Smt Archna Agarwal(DIN – 10615127) as an Independent Director of the Company To consider and if thought fit, to pass the following resolution as Special Resolution: -

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), Smt Archna Agarwal (DIN – 10615127), who was appointed as an Additional Director(Non-Executive Independent) of the Company in the meeting held on, the 21st day of May,2024, pursuant to provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office up-to the date of forthcoming ensuring Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act,2013 from a member proposing his candidature for the office of Independent Director and who meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company for a period of Five (5) years w.e.f. 21st day of May,2024 up to 20th day of May,2029 not liable to retire by rotation during such term."

**“RESOLVED FURTHER THAT** Shri Aditya Jhunjunwala, Managing Director and Ms. Pooja Dua, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, things and matters from time to time in order to give effect to the above resolution.”

7. To appoint Shri Narendra Mohan (DIN – 10661367) as an Independent Director of the Company To consider and if thought fit, to pass the following resolution as Special Resolution: -

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, Schedule IV and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”), Shri Narendra Mohan (DIN – 10661367), who was appointed as an Additional Director(Non-Executive Independent) of the Company in the meeting held on, the 29th day of June, 2024, pursuant to provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office up-to the date of forthcoming ensuring Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act,2013 from a member proposing his candidature for the office of Independent Director and who meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI Listing

Regulations, be and is hereby appointed as an Independent Director of the Company for a period of Five (5) years w.e.f. 29th day of June, 2024 up to 28th day of June, 2029 not liable to retire by rotation during such term.”

**“RESOLVED FURTHER THAT** Shri Aditya Jhunjunwala, Managing Director and Ms. Pooja Dua, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, things and matters from time to time in order to give effect to the above resolution.”

8. To approve the changes in the clauses of the Article of Association of the company and if thought fit to pass, the following resolution as a Special Resolution: -

**“RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”) including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, pursuant to the recommendation of the Board of the company, the consent of the shareholders of the company be and is hereby accorded for alteration in the Clause of the Article of Association (“AOA”) of the Company by amending clause XXVII by deleting article 199(1) and 199(2) and clause IX by amending article 74(1)(vi) of the Article of Association as following: -”

#### (i) XXVIII. SEAL

The Seal, its custody and use	199	(1)	The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereto and the Directors shall provide for the safe custody of the seal for the time being. The seal of the Company shall never be used except by the authority of a resolution of the Board of Directors and in presence of one of Directors or such other persons as the Board may authorise who will sign in token thereof and countersigned by such officers or persons at the Directors may from time-to-time resolve.	
		(2)	Any instrument bearing the Common Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.	

#### IX. ALTERATION OF SHARE CAPITAL

Further Issue of capital	74	(1)	(vi)	To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified in the relevant Rules
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**Amended Clause: -**

#### (i) XXVIII. SEAL

--Deleted--	199	(1)	--Deleted--
		(2)	--Deleted--

(ii)

#### IX. ALTERATION OF SHARE CAPITAL

Further Issue of capital	74	(1)	(vi)	To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b) of Section 62(1) of the Act, either for cash or for a consideration other than cash, by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
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**“RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things, as they may be necessary and to file necessary form with the appropriate authorities in this regard, in their absolute discretion, proper and desirable.”

9. To change in the registered office of the company and if thought fit to pass the following resolution as a Special Resolution: -

**“RESOLVED THAT** pursuant to provisions of Section 12 of Companies Act, 2013, (“Act”) reads with the companies(incorporation) Rules, 2014 and any other applicable provisions, if any including any statutory modifications or re-enactment thereof for the time being in force and subject to such

other requisite approvals, if any, pursuant to the recommendation of the Board of the company, the consent of the shareholders of the company be and is hereby accorded for shifting the registered office of the company from its present location at 11, Moti Bhawan Collector Ganj Kanpur -208001 U.P. India to 76, Eldeco Greens Gomtinagar Lucknow,- 226010 U.P. India within the State of Uttar Pradesh.”

**“RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things, as they may be necessary and to file necessary form with the appropriate authorities in this regard, in their absolute discretion, proper and desirable.”

Place: Lucknow  
Dated: 29-06-2024

**By the Order of the Board  
For K. M. Sugar Mills Ltd.  
-Sd/-  
Pooja Dua  
Company Secretary**

## Notes:

- 1 The Ministry of Corporate Affairs ('MCA'), inter alia, vide its General Circular No(s). 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2023 dated September 25, 2023, (collectively referred to as 'MCA Circulars'), has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, towards this, the Securities and Exchange Board of India ('SEBI'), vide its Circular(s) dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023, and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard from

time to time, has provided relaxations from compliance with certain provisions of the SEBI Listing Regulations. In compliance with the applicable provisions of the Act, SEBI Listing Regulations, MCA Circulars and SEBI Circulars, the 51st AGM of the Company will be held through VC/OAVM on Saturday, August 03, 2024 at 11:00 A.M. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at 11 Moti Bhawan Collector Ganj, Kanpur, Uttar Pradesh-208001, India.

- 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 ensuing Annual General Meeting (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. 23.
- 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 Notice of the 51st 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). Notice will also be available on the Company's website [www.kmsugar.com](http://www.kmsugar.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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 51st AGM 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 51st 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](mailto: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](mailto: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](mailto: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](mailto: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 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. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No.SH.13 duly filled in to M/s. Link Intime India Private Limited at the above-mentioned address or the Registered Office of the Company. Members holding shares in electronic form may contact their respective Depository Participants to avail this facility.
- 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 in case shares are held by them in physical form for receiving all communication 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 51th AGM along with requisite documents also be available on the Company's website [www.kmsugar.com](http://www.kmsugar.com). Further, the notice received 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](mailto:cs@kmsugar.in)
- 17) The remote e-voting facility will be available during the following voting period:
  - i. Commencement of remote e-voting: From 09.00 a.m. IST of Wednesday July, 31 2024.
  - ii. End of remote e-voting: Up to 5.00 p.m. IST of Friday August, 02 2024
- 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. Friday, 26 July, 2024 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 Sunday 28th July, 2024 to Saturday, 3rd August, 2024.

- 21) Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Members holding shares in physical form are required to convert their shares into dematerialized form, failing which the RTA will not initiate and/or accept any request from such Members. Further, upon non-conversion, such shares will be credited to the Suspense Escrow Demat Account of the Company which shall be credited to the Members only upon furnishing their demat details.
- 22) Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

**Individual Shareholders holding securities in demat mode with NSDL:**

**METHOD 1 - If registered with NSDL IDeAS facility**

**Users who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
- c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. OR

**User who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - By directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.



- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

#### **Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

#### **Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

##### **A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

##### **B. PAN:**

Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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 holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in NSDL form, shall provide '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).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on 'Submit'.

#### **Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. 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).
4. 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.

#### **Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):**

##### **STEP 1 – Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

##### **STEP 2 –Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.



- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - a 'Investor ID' -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. 'Investor's Name' - Enter full name of the entity.
  - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
  - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

### STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

#### METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) 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).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) 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. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently). OR

#### VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. E-voting page will appear.

- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

#### Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

#### Forgot Password:

##### Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

**Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'Corporate Body/ Custodian/Mutual Fund' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**23) 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)

**24) Instructions for Shareholders/ Members to Speak during 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.

**25) Instructions for Shareholders/ Members to Vote during the Annual General Meeting through Insta Meet:**

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](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

Place: Lucknow  
Dated: 29-06-2024

**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. 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 2024-25 in the meeting held on May 21, 2024 at the remuneration of Rs. 50,000/- 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**

Shri Sushil Solomon was appointed as an Independent Directors of the Company in 46th annual general meeting of the Company held on 20.09.2019 w.e.f 06.08.2019 for the period of five years.

In terms of Section 149 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder and regulation 16 & 17 of the SEBI Listing Regulations, 2015, the aforesaid persons can be appointed as an Independent director for second consecutive term of five years, with the approval of shareholders by way of special resolution.

Accordingly the Board of Directors of the Company ('the Board') at the meeting held on May 21, 2024, on the recommendation of the Nomination & Compensation Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Shri Sushil Solomon as Independent Directors of the Company for the second term of the five years with effect from w.e.f 06th August, 2024 in the ensuing annual general meeting, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to his re-appointment.

Further as Shri Sushil Solomon has already attained the age of 72 years as on April 01, 2024, the approval of shareholders by way of special resolution is sought as mentioned in item no. 5 in terms of the provisions of regulation 17(1A) of the SEBI Listing Regulations, 2015.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Shri Sushil Solomon and his contribution to Board proposes, his continued association would benefit the Company. Declarations have been received from Shri Sushil Solomon that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies

(Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015.

In the opinion of the Board, Shri Sushil Solomon fulfill the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and is independent of the management of the Company. Shri Sushil Solomon shall be entitled to sitting fees for attending the meeting of the Board of committee and reimbursement of expenses for attending the said meetings as approved by the Board from time to time. In terms of the aforesaid provisions, Shri Sushil Solomon shall not be liable to retire by rotation.

The consent of the Members by way of Special Resolution is required for re-appointment of Shri Sushil Solomon, in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations 2015, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. Shri Sushil Solomon has already attained the age of 72 years shall attain the age of seventy five years on 21.12.2027, during the proposed term of re-appointment. The Special Resolutions under Item Nos. 5, shall also be deemed as your approval under the Listing Regulations 2015, for continuation of Shri Sushil Solomon as Independent Directors beyond the age of seventy five years.

Requisite Notices under Section 160 of the Act proposing the re-appointment of Shri Sushil Solomon have been received by the Company, and consents have been given by Shri Sushil Solomon pursuant to Section 152 of the Act.

Save and except Shri Sushil Solomon, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Additional information in respect of Shri Sushil Solomon, pursuant to the Listing Regulations 2015 and the Secretarial Standard on General Meetings, are provided in Appendix -A.

**Item No.6&7**

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, had appointed Smt Archana Agarwal (Din: 10615127), as an Additional-Women Director (Non-Executive Independent) and Shri Narendra Mohan (DIN – 10661367) as an Additional-Director (Non-Executive Independent) in its meeting held on the 21st day of May, 2024 and 29th day of June, 2024 respectively who are not liable to retire by rotation, pursuant to Section 161 of the Companies Act, 2013 to hold office up-to the date of ensuing Annual General Meeting of the Company. The Board noted that Smt Archana Agarwal (Din: 10615127) and Shri Narendra Mohan (DIN – 10661367) skills, knowledge, and experience are aligned to their role and capabilities and that they are eligible for appointment as an Independent Director.

Smt Archana Agarwal (Din: 10615127) and Shri Narendra Mohan (DIN – 10661367) has confirmed: (a) eligibility and criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b)

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"); (b) they are not disqualified or debarred from holding the office of director by virtue of any SEBI order or any other such authority; (c) they have undertaken registration in the Independent Director's data bank; and (d) they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, they have given their consent to be appointed as an Independent Director of the Company.

In terms of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a Member of the Company signifying his intention to propose the candidature of Smt Archna Agarwal (Din: 10615127) and Shri Narendra Mohan (DIN – 10661367), for the office of Independent Director of the Company.

The Board is of the opinion that Smt Archna Agarwal (Din: 10615127) and Shri Narendra Mohan (DIN – 10661367) has rich and diverse experience will be valuable asset to the Company which adds value and enriched point of view during Board discussions and decision making.

The Board of Directors recommends the appointment of Smt Archna Agarwal (Din: 10615127) and Shri Narendra Mohan (DIN – 10661367) as an Independent Director of the Company for a period of Five (5) years commencing from 21st day of May, 2024, up to 20th day of May, 2029 and 29th day of June, 2024, up to 28th day of June, 2029 respectively, who are not liable to retire by rotation during the term.

Save and except Smt Archna Agarwal Shri Narendra Mohan, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Your directors recommend the Resolution set out in Item No.6&7 as a Special Resolution for your approval.

Additional information in respect of Smt Archna Agarwal and Shri Narendra Mohan, pursuant to the Listing Regulations 2015 and the Secretarial Standard on General Meetings, are provided in **Appendix -A**.

#### Item No: 8

The Board in the meeting held on 21st May 2024 has recommended

necessary changes in the Article of Association (AOA), for approval of the members at ensuing Annual General Meeting of the Company, to align it with the provisions of companies Act, 2013 including rules framed thereunder.

The Board of Director of the company proposed for the amendment in existing Article of Association of the company, keeping in view of the proposed changes in the various clauses and to align the with the requirement of law. Therefore, the Board proposes to delete the common seal clause of the company and amend alteration of share capital clause of AOA. As per the provisions of Section 14 of the Companies Act, 2013, a special resolution has to be passed by the members of the Company amending AOA of the Company. The Board recommends the above resolution to the shareholders for their approval as Special Resolutions.

A copy of amended AOA of the Company would be available for inspection electronically by the Members during the Meeting of the members.

None of the directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

The Board recommends the above resolution to the shareholders for their approval as Special Resolutions.

#### Item No: 9

The registered office of the company is currently situated at 11, Moti Bhawan Collector Ganj Kanpur -208001 U.P. India. With the view to improve operational efficiency of the company, Board of Directors of the company is proposing for shifting of registered office to 76, Eldeco Greens Gomtinagar Lucknow,- 226010 U.P. India within the State of Uttar Pradesh.

In accordance with the provisions of Section 12(5) of Companies Act, 2013 except with the authority of the special resolution passed by the company, the registered office of the company shall not be changed, outside the local limits of any town, city and village where such office is situated.

Accordingly, the consent of the shareholders of the company is sought for passing special resolution as set in Item no.8 of the Notice.

None of the directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

The Board recommends the above resolution to the shareholders for their approval as Special Resolutions.

### Appendix -A

#### BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH THE SECRETARIAL STANDARDS(SS-2) AND REGULATION 36(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) 2015:-

Names	Shri Sushil Solomon	Smt Archna Agarwal,	Shri Narendra Mohan Agarwal
Age	72 years	63 years	60 years
Din	08553009	10615127	10661367
Date of first appointment on the Board	06st day of August, 2019	21st day of May, 2024	29th day of June, 2024

Qualifications	Shri Sushil Solomon, a renowned Researcher and Educationist has been appointed is 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.	Graduate from Avadh University Faizabad, Uttar Pradesh.	Shri Narendra Mohan, has an exemplary career in the sugar industry spanning about four decades including eleven years as Director, National Sugar Institute, Kanpur, India, a premier institute of Government of India which was established in 1936. He did his post graduate studies in Sugar Technology from National Sugar Institute and later on was conferred Fellowship as well.
Nature of Expertise & Experience	Shri Sushil Solomon has contributed more than 37 years in scientific/research guidance/teaching in sugarcane/Sugar Industry. He is the recipient of several International recognitions like Friendship Award, Jin Xiu Qui Award, Award of Excellence, Life time Achievement Award-2014 from China, Sinai University Peace Award and IAPSIT Global Award of Excellence from Egypt, Prestigious Indira Gandhi Purushkar 2013 & 2014, Dr. Rajendra Prasad Award (2014), by Ministry of Agriculture, Govt. of India, Rajiv Gandhi Rashtriya Gyan-Vigyan Hindi Moulic Pustak Lekhan Purushkar (2014) conferred by H.E. President of India, Dr. Dharampal Singh Life time Achievement Award (2014) from UPAAS and Hariom Ashram Trust Award by ICAR in 2012-13. Dr. Solomon has also been awarded with 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. He has organised, coordinated and attended several National & International Symposium/Conference in India, China, Vietnam, Egypt, Brazil etc. by his own capacity. He has handled several National and International Projects as a Leader and Mentor.	She has been working in various companies as promoter and help them to grow and achieve milestone	Shri Narendra Mohan has been an inspiring teacher, admirable research worker and an esteemed government official having a long and distinguished career of working in sugar industry and at the institute. An author of 7 books, more than 200 papers been published in various reputed journals, many book chapters and patents to his credit, indicates his passion for academic & research work.  He has played a pivotal role in converting sugar industry into clean & green industry producing bio-chemicals, other bio-products and bio-energy apart from sugar. He remained a "Think Tank" for the Ministry of Consumer Affairs, Food & Public Distribution" and contributed significantly in many policy matters including price fixation mechanism for ethanol made from different feed stocks, minimum selling price of sugar and in other associated matters. Prof. Mohan is associated with many prestigious International scientific societies and organizations.  He has also provided consultancy to set up a Sugar Institute at Nigeria. He visited extensively to Austria, Switzerland, Indonesia, Nigeria, Bhutan, France, Kenya, Thailand, Egypt and Iran etc. to deliver lectures and provide technical consultancy.
Skills and Capabilities	<ul style="list-style-type: none"> <li>• Business Strategy, Brand Building and Leadership</li> <li>• Sales and Marketing</li> <li>• Strategic Planning</li> <li>• General Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Business Strategy, Brand Building and Leadership</li> <li>• Strategic Planning</li> <li>• General Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Business Guidance, Brand Building</li> <li>• Strategic Planning</li> </ul>



Relationship with other Director/ Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Terms and conditions of appointment/ re-appointment:	It is proposed to appoint Shri Sushil Soloman as an Independent Director of the Company for second Term of Five (5) years w.e.f. 06th day of August,2024, not liable to retire by rotation	It is proposed to appoint Smt Archna Agarwal, as an Independent Director of the Company for a Term of Five (5) years w.e.f. 21st day of May,2024, not liable to retire by rotation	It is proposed to appoint Shri Narendra Mohan, as an Independent Director of the Company for a Term of Five (5) years w.e.f. 29th day of June,2024, not liable to retire by rotation
Remuneration last drawn	N/A	N/A	N/A
Remuneration proposed to be paid:	Shri Sushil Solomon being a Non-Executive Independent Director shall be paid sitting fees for attending Board and/or Committee Meetings of the company at par with other Independent Directors.	Smt Archna Agarwal being a Non-Executive Independent Director shall be paid sitting fees for attending Board and/or Committee Meetings of the company at par with other Independent Directors.	Shri Narendra Mohan Agarwal being a Non-Executive Independent Director shall be paid sitting fees for attending Board and/or Committee Meetings of the company at par with other Independent Directors.
Number of meetings of the Board attended during the financial year (2023-24):	4	N/A	N/A
Directorships held in other companies	N/A	N/A	N/A
Memberships / Chairmanships of committees of other companies	N/A	N/A	N/A
No. of shares in the Company	Nil	Nil	Nil

Place: Lucknow  
Dated: 29-06-2024

**By the Order of the Board  
For K. M. Sugar Mills Ltd.  
-Sd/-  
Pooja Dua  
Company Secretary**



## Notes

## Notes



**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  
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