



Legacy meets Sustainability

Rooted in Nature, Refining for the Future



K.M. Sugar Mills Limited
53rd Annual Report 2025-26

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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.



SUSTAINABLE VALUE CREATION

KM Sugar Mills exemplifies sustainable value creation through its evolution from a traditional sugar manufacturer into a diversified, integrated enterprise.

By efficiently utilizing sugarcane and responsibly converting byproducts into valuable resources, the Company has strengthened its operational resilience while advancing circular economy principles and sustainable growth.

Looking ahead, the Company is committed to embedding a **futuristic approach** that integrates **innovation, automation, and artificial intelligence** into its operations. These initiatives will not only enhance productivity and

precision but also align KM Sugar Mills with global sustainability benchmarks and the evolving expectations of stakeholders.

Through investments in **digital transformation, smart manufacturing, and AI driven analytics**, the Company seeks to optimize resource efficiency, reduce environmental impact, and create adaptive systems that respond to dynamic market and regulatory landscapes. This forward looking strategy ensures that KM Sugar Mills remains a **responsible industry leader**, taking decisive steps together with the global sector towards **inclusive, resilient, and sustainable development**.



VISION

KM Sugar Mills is driven under the leadership of Shri Aditya Jhunjunwala — to ensure that the Indian sugar industry stands at par with global standards while fostering comprehensive development across all stakeholders.

The Company's vision emphasizes **raw material security** and the creation of **better living conditions for cane growers**, recognizing them as the backbone of sustainable growth. By expanding **into sugar, renewable energy, and by product businesses**, KM Sugar Mills advances a model of harmonized living between communities, society, and the nation.

This vision is anchored in a commitment to **economic progress, social responsibility, and governance excellence (ESG)**. Through responsible practices, innovation, and stakeholder engagement, the Company seeks to balance profitability with inclusivity, ensuring that growth translates into shared prosperity for farmers, employees, shareholders, and society at large.



MISSION

Excellence in management and quality control of sugarcane production, sugar product and all by product with maximum efficiency.

Encourage the sugarcane farmers in the area to have high productivity and good quality yields with the principle, care and responsible guidance for the farmers.

Develop our administration and management systems continuously for the sustainability of profits of the sugarcane farmer and our businesses.

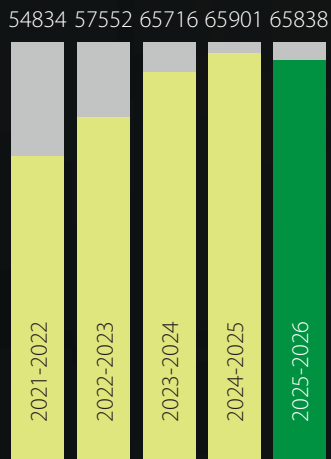
Enhance innovation and research to increase organization and cane growers' efficiency and competitiveness.



HIGHLIGHTS

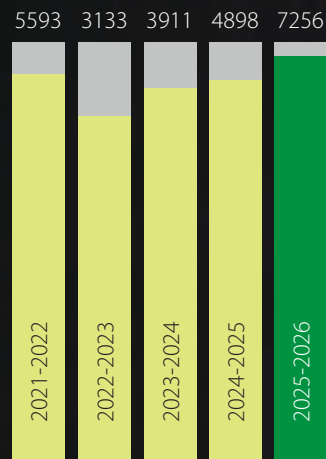
GROSS REVENUE

(Rs/lacs)

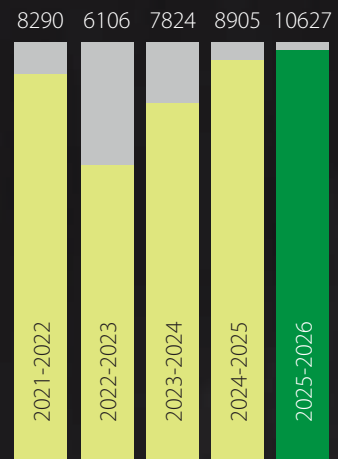


PROFIT BEFORE TAX

(Rs/lacs)



EBIDTA



OUR VISITING CARD

Parentage

K.M. Sugar Mills traces its origins to 1942, when it was established as a partnership firm, Kamlapat Motilal, in Kanpur by the Jhunjhunwala and Singhania families. Beginning with a modest sugar milling operation, the firm laid the foundation for a legacy of value creation in the agro-industrial sector. Between 1949 and 1950, the manufacturing facility was relocated to its present site in Faizabad, positioning the business for future growth and deeper engagement with the agricultural ecosystem. In 1971, the partnership was reconstituted as K.M. Sugar Mills (Pvt.) Ltd., a private limited company registered with the Registrar of Companies, Uttar Pradesh, Kanpur, marking an important milestone in its journey towards becoming an integrated and sustainable sugar enterprise.



Promoters

In 1971, Mr. L.K. Jhunjhunwala took charge as Managing Director with the vision of building one of India's most respected sugar companies. Guided by this ambition, K.M. Sugar Mills Ltd. has grown into a sustainable, multi-product enterprise, manufacturing sugar, ethanol, and co-generated power.

Presence

K.M. Sugar Mills Ltd. is listed on both the National Stock Exchange and the Bombay Stock Exchange. As of 31st March 2026, the Company's market capitalisation stood at ₹2,430 million on the NSE and ₹2,460 million on the BSE, reflecting its valuation at the close of the financial year

Products

The Company's core product portfolio includes:



Sugar

White crystal sugar and raw sugar for domestic and export markets

Ethanol & Related Products

Produced through its distillery operations

Power

Generated through bagasse-based co-generation

Plants

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

Sugar Division

With a crushing capacity of 9,500 tonnes of sugarcane per day, the Sugar Division produces high-quality white crystal sugar and raw sugar for both domestic consumption and export.

Distillery Division

Established in 1995, the Distillery Division began with capacities of 45 KLPD for Rectified Spirit and 20 KLPD for Extra Neutral Alcohol. Over time, production capabilities expanded:

2003 – Ethanol production commenced at 30 KLPD

2004 – ENA plant converted to produce Ethanol, taking capacity to 45 KLPD

2020 – Ethanol capacity increased to 50 KLPD

The division currently manufactures:

- Rectified Spirit
- Ethanol
- Other related byproducts

Power Division

The Company operates a 25 MW bagasse-based co-generation power plant at Motinagar, Ayodhya, Uttar Pradesh. Power generated is supplied to Uttar Pradesh Power Corporation Limited (UPPCL).



CORPORATE SOCIAL RESPONSIBILITY

Approved on 30 October 2015 and reviewed annually by the Board of Directors, the CSR Policy reflects the Company's commitment to sustainable development and inclusive growth. It provides a structured framework for creating long-term social, environmental, and economic value for stakeholders and the communities in which the Company operates.

The policy seeks to address barriers to social inclusion by supporting disadvantaged and underserved groups, including economically weaker and socially marginalized communities. Through initiatives focused on education, healthcare, livelihood enhancement, community development, and environmental

stewardship, the Company strives to foster equitable opportunities and improve quality of life while promoting sustainable outcomes.

Recognizing the importance of local impact, priority is accorded to communities surrounding the Company's operations, ensuring that CSR investments contribute meaningfully to regional development and shared prosperity. Guided by the principles of responsible business conduct, the policy enables the effective identification, implementation, monitoring, and evaluation of CSR programmes, reinforcing the Company's commitment to building resilient communities and advancing sustainable growth.



Childrens Day



Induction of children to schools



Cancer patient children at KGMU where we help the through HH Foundation.



Independence day celebration



KM Sugar Mills Ltd. actively champions the educational upliftment of underprivileged children by strategically investing its CSR resources into promoting education and developing learning facilities within rural communities.

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.

**till 14.03.2026 due to demise*



Mrs. NAINA DEVI JHUNJHUNWALA

Additional Director

Mrs. Naina Devi Jhunjhunwala, wife of Late Shri L.K. Jhunjhunwala, holds a Bachelor's degree in Arts from Kolkata. She brings with her over 35 years of extensive business experience, has served as Director in various organisations, and is widely recognised as a philanthropist and a successful entrepreneur.

**Additional Director w.e.f 18.05.2026*



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.


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 Newsletters.


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
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
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.

MESSAGE FROM THE MANAGING DIRECTOR'S DESK



Dear Shareholders,

It is with profound grief and a deep sense of personal loss that we record the demise of **Late Shri L.K. Jhunjhunwala**, Chairman and Promoter of K M Sugar Mills Limited, who passed away on **14th March 2026**.

As my revered father and the Company's Chairman, Shri Jhunjhunwala was the architect of our vision and values. His association with K M Sugar Mills Limited spanned over four decades, during which he provided unwavering leadership, entrepreneurial foresight, and a steadfast commitment to excellence. Under his stewardship, the Company grew in stature, diversified its operations, and earned its reputation as a trusted name in the sugar industry.

Beyond his professional achievements, Shri Jhunjhunwala was admired as a **philanthropist and compassionate human being**. His humility, generosity, and dedication to social causes touched innumerable lives and left an enduring legacy of service to society. He was not only a mentor and guide to me personally but also an inspiration to the entire organization.

On behalf of the Board, management, and employees of K M Sugar Mills Limited. We remain indebted to his remarkable contributions and pledge to uphold the legacy he has entrusted to us.

May his noble soul rest in eternal peace.

Aditya Jhunjhunwala

Managing Director
K M Sugar Mills Limited

COMPANY INFORMATION



BOARD OF DIRECTORS

Chairman

Shri L. K. Jhunjhunwala (till 14.03.2026)

Whole Time Director

Shri Aditya Jhunjhunwala, Managing Director

Shri Sanjay Jhunjhunwala, Joint Managing Director

Shri S C Aggarwala, Executive Director cum CEO

Non Executive and Independent Director

Smt. Archana Agarwal

Shri Narendra Mohan

Dr. Sushil Solomon

Shri Bibhas Kumar Srivastav

Shri Bakshi Ram

Additional Director

Smt. Naina Devi Jhjhunwala (w.e.f 18.05.2026)

Chief Financial Officer

Shri Arvind Kumar Gupta

Company Secretary

Ms. Pooja Dua

Ms. Ritika Tandon (w.e.f 07.08.2025)

Auditors

M/S. Mehrotra & Mehrotra

Chartered Accountants,

90, Okhla Industrial Estate, Phase III

New Delhi - 110 020

Bankers

State Bank of India

Punjab National Bank

HDFC Bank Ltd

Yes Bank Ltd

Registered Office

76, Eldeco Greens Gomti Nagar, Lucknow - 226010 (U.P.)

Corporate Office & Works

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

DIRECTOR'S REPORT

To,
The Members,

Your directors have the pleasure of placing the 53rd Director's Report along with the Audited Statement of Accounts for the year ended on 31st March, 2026.

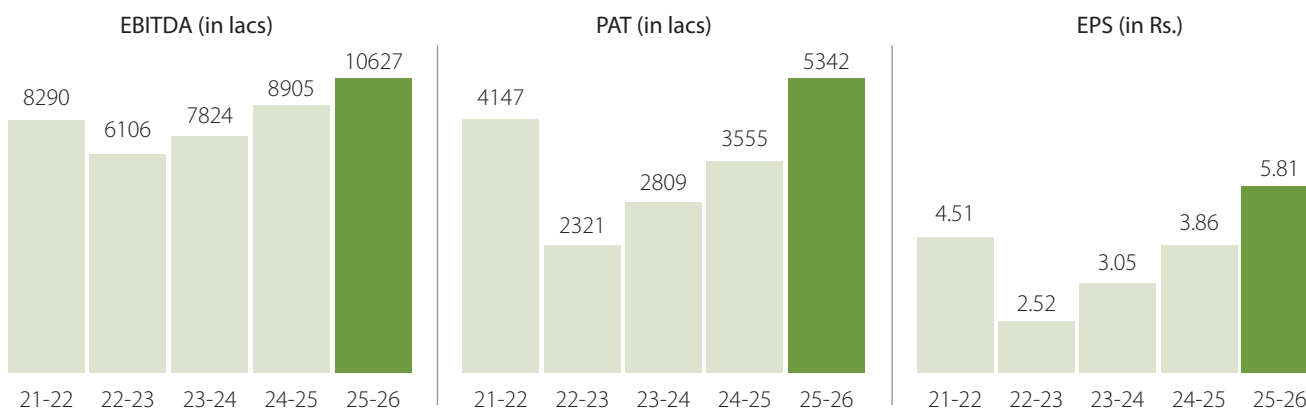
Financial Performance

The Financial performance of the Company during the year ended 31st March 2026 is as under:

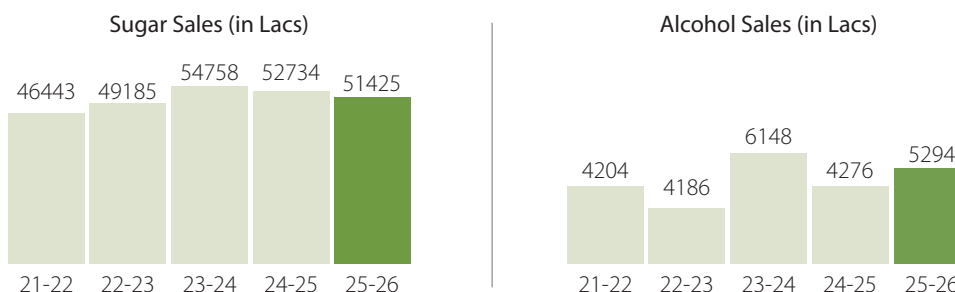
(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended on 31st March,2026	Year ended on 31st March,2025	Year ended on 31st March,2026	Year ended on 31st March,2025
Profit before finance costs, depreciation and amortization and other comprehensive income	10628	8905	10628	8905
Less: Finance costs	1170	1816	1170	1816
Less: Depreciation and amortization expense	2201	2197	2201	2197
Profit before tax	7256	4892	7256	4892
Less: Tax expense	1914	1337	1914	1337
Profit for the year	5342	3555	5342	3555
Other comprehensive income (net of tax)	(11)	(14)	(11)	(14)
Total comprehensive income for the year	5331	3541	5331	3541
Earnings per equity share of Rs. 2/- each	5.81	3.86	5.81	3.86

Our Financial Highlights



Segmental Performance in FY 2025-26



Corporate Benefits

The Board of Directors have not recommended a dividend for the financial year ended 31st March, 2026, in view of future deployment of funds for furtherance of business.

Adoption of Ind-As

In accordance with the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted Ind-AS for the preparation of financial statements with effect from April 01, 2017. The financial Statement for the year ended on March 31, 2026, has been prepared in accordance with the Indian Accounting Standard (IND AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014. The estimates and judgment relating to the Financial Statement are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of Affairs, profits and cash flow for the year ended March 31, 2026. Accordingly, the figures for the previous year are comparable.

Performance of Segment: -

Sugar Division

The company has crushed 111.63 Lacs quintals of cane as against 110.98 lacs quintals of cane crushed during the previous financial year, and the Sugar sale was Rs. 51425 lacs during the year under review as against Rs. 52739 lacs during the previous financial year. The other details are as under:

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Gross Working days	127	128
Total Cane Crushed (qtls.)	1163276.99	11098006
Sugar Produced (qtls)	1215930	1235608
Average Recovery	10.90%	11.01%

Distillery

During the year under report, the Company produced 91.12 Lacs BL of Rectified Spirit and 90.58 Lacs BL of ethanol. The other details are as under:

Ethanol	Year ended 31-03-2026	Year ended 31-03-2025
Sales (Rs. in lacs)	5294	4276
Sales (BL in lacs)	88.33	72.39

Country Liquor

Production ((Number of cases in Lacs)	13.79	16.27
Sale (Number of cases in Lacs)	13.68	16.24

Demerger of Distillery Division

During the year under review, your Board of Directors, at its meeting held on August 07, 2025, approved a Scheme of Arrangement for the demerger of the Company's Distillery Division (Demerged Undertaking) into its wholly owned subsidiary, KM Spirits and Allied Industries Limited (Resulting Company), on a going concern basis. The proposed demerger aims to unlock shareholder value by creating focused entities for the sugar and distillery businesses, enabling better operational efficiency, independent growth strategies, and access to capital markets for the demerged entity.

The draft Scheme was filed with the Stock Exchanges and received necessary observations / no-objection letters from BSE Limited and National Stock Exchange of India Limited (NSE being the Designated Stock Exchange). The Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, vide its order dated March 24, 2026 (received on March 27, 2026), approved the first motion application and directed the convening of meetings of equity shareholders and unsecured creditors of the Company.

Pursuant to the NCLT order, the meeting of Equity Shareholders is scheduled to be held on May 30, 2026. The Scheme is now subject to approval of the shareholders and creditors with the requisite majority and final sanction by the Hon'ble NCLT and such other approvals,

permissions, and sanctions as may be required from regulatory authorities. The appointed date for the Scheme is April 01, 2026.

The demerger, upon becoming effective, will result in the issuance of equity shares of the Resulting Company to the eligible shareholders of the Company in the ratio of 1 equity share of ₹10 each in KM Spirits and Allied Industries Limited for every 5 equity shares of ₹2 each held in K M Sugar Mills Limited (subject to applicable adjustments, if any). The equity shares of the Resulting Company are proposed to be listed on the Stock Exchanges.

Your directors believe that the demerger will provide greater focus to each business vertical and create long-term value for all stakeholders.

Statutory Auditors

M/s. Mehrotra & Mehrotra., Chartered Accountants (FRN.000226C), 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 to conduct statutory audit of F.Y. 2022-23, till the conclusion of 54th AGM after completing their Terms of 5 years.

The Auditor's Report for the financial year ended March 31, 2026, 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

M/s Amit Gupta & Associates ('AGA'), Company Secretaries (Firm Registration No. P2025UP103200) were appointed as the Secretarial Auditors of the company at the 52nd AGM held on September 29, 2025 for a term of 5 (Five) consecutive years to hold the office from the conclusion of the 52nd AGM to conduct statutory audit of F.Y. 2025-2026, till the conclusion of 57th AGM after completing their Terms of 5 years as required under Section 204 of the Companies Act, 2013, and Rules made thereunder. The Secretarial Audit report and Annual Secretarial Compliance Report for FY 2025-2026 form part of the Annual Report (Annexure to the Directors' Report in Form MR-3) as annexed as **Annexure-8** to this report and carry no qualifications, reservations, adverse remarks or disclaimers, which are self-explanatory and hence no explanations are required.

Cost Auditors

Your Board, as recommended by the Audit Committee, appointed M/s. Aman Malviya & Associates, Cost Accountant, Lucknow, as a Cost Auditor for Sugar and Industrial Alcohol businesses for the financial year 2025-2026. 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, 2027.

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.

Public Deposits

During the financial year ended March 31, 2026, the company has not accepted any public deposits.

MSME RETURN

MCA vide order dated 22nd January, 2019, directed all companies that 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 the MSME within the prescribed time.

Listing Fees

The equity shares of the company are listed with the BSE Limited and National Stock Exchange Limited, and listing fees for 2025-2026 have been duly paid.

Directors' Responsibility Statement

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

- (i) That in the preparation of the annual accounts for the year ended on March 31, 2026, the applicable accounting standard has 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 a 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 behaviour of employees, the details of which are incorporated in the report on the corporate governance. Protected disclosures can be made by a whistleblower through an email, 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 the Audit Committee, and no cases under this mechanism were reported in the company or any of its subsidiary/associates.

The Policy on vigil mechanism and whistleblower 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. An 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.

During the year under review:

- a) Number of complaints of sexual harassment received in the year – Nil
- b) Number of complaints disposed off during the year – Nil
- c) Number of cases pending for more than ninety days - Nil

Maternity benefit provided by the company under the Maternity Benefit Act 1961

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

Share Capital: - The Paid-Up share equity Capital of the company as at March 31, 2026, is Rs. 18.40 Crores. During the year under review, the company has not issued shares or convertible securities nor granted stock options or sweat equity shares.

Annual Return

Pursuant 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/annual-return/>

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 was 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, prioritise, 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 to the top 1000 entity the basics of market capitalization, therefore the same is not applicable to 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 a 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 the Companies Act, 2013. The CSR policy of the Company, inter alia, includes the activities, composition and meetings of the 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 has spent Rs.35.63 lakhs of which Rs. 35.50 lacs, is the Excess CSR Expenditure available for Carry Forward of FY 2026-2027 and onwards. CSR obligation of the company as per law was Rs. 81.20 Lakhs and the Board of the company decided to spend Rs. 81.33 lacs of which Rs. 81.20 Lakhs has been set off against the Excess CSR Expenditure carried forward for the FY 2022-2023 and 2023-2024.

The Company has aligned its 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-4**

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 the 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 of risk.

The sugar industry being cyclical in nature, realisations get adversely affected during a downturn. Higher cane price or higher production than the demand ultimately affects profitability. The Company has mitigated this risk through a well-integrated business model by diversifying into cogeneration and distillation, thereby utilising 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-9** 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 M/s, Amit Gupta & Associates Practicing Company Secretary, confirming the compliance of the conditions on Corporate Governance is attached as **Annexure-2** and **Annexure-3** to this report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the business and operations of the company is attached to this report as **Annexure 5**.

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** was incorporated on 23-02-2018 to manufacture 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 operations. In terms of proviso to section 139(3) of the Companies Act, 2013, the salient features of the financial statements of the subsidiary are set out in the prescribed form (AOC-1) under Rule-5 of the Companies (Accounts) Rules, 2014 as **Annexure-6**.

Your Company's Policy for determination of a material subsidiary, as adopted by your Board, in conformity with Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, can be accessed on your Company's corporate website at www.kmsugar.com. The Company does not have any material subsidiaries. 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 the subsidiary, are available on the website of the Company. The Company will make available the annual report of the 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 a consolidated financial statement for the year ended March 31, 2026.

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 the subsidiary, are available on the website of the Company. The Company will make available the annual report of the subsidiary Company upon request by any shareholder of the Company interested in obtaining the same.

Number of Meetings of the Board

The Board met five 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 8 directors, one of whom is the Managing Director, one is Joint Managing Director, one Executive Director, and five are Independent directors, including one woman 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 the company's website at <https://www.kmsugar.com/policies-ofkmsml/#policy-on-selection-remuneration-of-directors-kmp-andother-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-9 of this Board Report

Induction & Changes in Directors

Shri Aditya Jhunjhunwala, Shri Sanjay Jhunjhunwala and Shri Subhash Chandra Aggarwala are the whole-time directors designated as

Managing Director and Joint Managing Director & Executive Director cum C.E.O.

During the year under review Shri L.K.Jhunjhunwala, Chairman of the company demised on 14.03.2026. The Board expressed deep appreciation and gratitude towards his contribution to the sugar industry, society as a benevolent philanthropist during his term.

The Board has appointed Mrs. Naina Devi Jhunjhunwala as an Additional Director with effect from May 18, 2026 and has also recommended her appointment as a Whole Time Director at the ensuing annual general meeting.

At the ensuing Annual General Meeting, Shri Sajay Jhunjhunwala and Shri S. C. Aggarwala, 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.

At the ensuing Annual General Meeting, approval of the members is being sought for the continuation of the term of Mr. Sushil Solomon (DIN: 08553009), Independent Non-Executive Director of the Company, as he is attaining the age of 75 years, in compliance with Regulation 17(1A) of SEBI (LODR) Regulations, 2015.

Since the tenure of Shri Aditya Jhunjhunwala, Shri Sanjay Jhunjhunwala and Shri Subhash Chandra Aggarwala as the whole-time directors designated as the Managing Director, Joint Managing Director & Executive Director cum C.E.O., respectively shall come to an end on March 31, 2027, the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee and Audit Committee, had recommended their reappointment for further term of three years with effect from April 01, 2027. Appropriate resolutions seeking your approval for the said appointments are appearing in the Notice convening the 53rd 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 a 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 are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation retire every year and are eligible for re-election.

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

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 twice, on 26th May, 2025 and 07th August, 2025. 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 the Company's belief that it is the collective effectiveness of the Board that impacts the 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 the 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 shares the consolidated report with the Chairman of the Board for his review and gives 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 interests 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 was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process. Reports on the 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. A detailed note on the Board and its committees is provided in the Corporate Governance Report section of this Annual Report. The composition of the committees and compliances, as per applicable provisions of the Act and Rules, is as follows:

Name of the committee	Composition of the committee*	Highlights of duties, responsibilities and activities
Audit committee	Shri. Bibhas Kumar Srivastav-Chairman Shri Sushil Solomon-Member Shri S.C. Aggarwala-Member	- All recommendations made by the committee during the year were accepted by the Board. - The Company has adopted the Whistle Blower Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud. - The Company has formed the Related Party Transaction Policy.
Nomination and remuneration committee	Shri Sushil Solomon-Chairman Shri Bakshi Ram- Member Smt. Archana Agarwal-Member	- The Committee oversees and administers executive compensation. - All recommendations made by the committee during the year were accepted by the Board.
Stakeholders' relationship committee	Shri Bakshi Ram-Chairman Smt. Archana Agarwal-Member Shri Sanjay Jhunjunwala-Member	- The Committee reviews and ensures redresses of investor grievances. - The committee noted that the grievances of the investors reported during the year, if any.
Corporate social responsibility committee	Shri L.K Jhunjunwala-Chairman* Shri Sanjay Jhunjunwala-Member Shri Sushil Solomon-Member Smt. Naina Devi Jhunjunwala-Member#	- The Board as laid down the Company's policy on Corporate Social Responsibility (CSR). - The CSR policy is uploaded on Company website, www.kmsugar.com
Finance Committee	Shri Aditya Jhunjunwala-Chairman Shri Subhash Chandra Aggarwala-Member Shri Bibhas Kumar Shrivastav-Member	- The committee review's the Company's proposed capital budget - The committee review's company's Finances, Investments, requirement of fund and liaisoning with Bankers with the power to approve the new limits of the company as sanctioned by Bankers of the company etc.

*Ceased to be Director w.e.f from 14.03.2026 due to demise

#Additional Director w.e.f 18.05.2026

Particulars of Loans, Guarantee or Investments

As per the requirement of section 186(4) of the 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 37.8 to the financial statements. The Company is in compliance with the limits as prescribed under Section 186 of the 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 into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. **AOC-2 at Annexure – 7**, in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Transactions 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 the 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 37.8(c) to standalone and consolidated financial statements.

Key Financial Ratios

Key Financial Ratios for the financial year ended 31st March, 2026, 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 **(Annexure -5)** forming part of this report.

Acknowledgement

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

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

-Sd/-

Aditya Jhunjunwala
Managing Director
DIN-01686189

-Sd/-

S.C. Aggarwala
Director
DIN-02461954

Date: 18.05.2026
Place: Lucknow

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	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: 1. Replacement of Tail Bar coupling of Mill No-1 by Rope Coupling benefits mill lift remain in proper limit, mill Extraction improved, no thrust transfer to power transmission side, power saving observed 0.25 KW/Ton of cane 2. Installation of Helical Gear box H3 /800 IPO H3/560 at Mill No-3&4, removed one stage open gearing & and replacement of gun meatal bearing by antifriction bearing reduces transmission losses. 3. Replacement of 5th Mill 1st stage transmission gear gun Metal bearing by Anti frictional Bearing reduces transmission losses, hence power saving. 4. Installation of Auto Feed Control Valves at 4 Nos B" & C" Continuous Centrifugal Machines to run the machines at full load at minimum water consumption & less time to run the machines, this help to reduce steam consumption at Pan as well as Power consumption due to less duration of operation. 5. Installation of 2No Agitator at Rhy tanks for conditioning of molasses, reduces falce grain formation at refinery pans that reduces water consumption at refinery pans hence steam saving. 6. Installation of VFD for UGR pump to control water pumping as per level of overhead tank, reduces power consumption for one pump by 40% 7. Replacement of Existing Lighting with efficient lighting to reduce the power consumption.
(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 2025-26:	Rs.142 Lakhs approx. during the year 2025-26. The company also makes investment wherever required for conservation of energy. The company has continuous process to monitor and explore ways for conservation of energy.

Form B

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

Technology absorption, adaptation and innovation:

During the Financial Year 2025–26, the Company continued its focused efforts towards sugarcane development, agricultural mechanization, technology absorption, and innovation to improve cane productivity, soil health, and farmer engagement. The Company undertook the following initiatives:

1. Sugarcane Development Initiatives

a. Distribution of Sugarcane Planters

The Company distributed Sugarcane Planters to cane growers at subsidized rates with the objective of promoting mechanized plantation practices and encouraging rural entrepreneurship. The initiative aims to enable growers to utilize the equipment for their own cultivation as well as provide planting services to other farmers on a rental basis.

b. Promotion of Trash Mulcher for Soil Health Improvement

The Company promoted the use of Trash Mulchers among growers to facilitate in-situ incorporation of sugarcane trash into the soil for faster decomposition. This practice contributes to improvement in soil organic matter, enhanced soil fertility, moisture retention, and overall soil health.

c. Support for Mechanization in Sugarcane Cultivation

The Company facilitated the adoption of various mechanical equipment and agricultural implements by providing them to sugarcane growers at subsidized rates. The initiative aims to reduce cultivation costs, address labour shortages and improve land productivity.

d. Promotion of Scientific Distance Planting

The Company continued awareness and extension activities to educate farmers on scientific distance planting techniques for better crop growth, improved aeration, effective nutrient utilization and enhanced crop health leading to higher productivity.

e. Development and Trial of New Sugarcane Varieties

The Company collaborated with ICAR–Sugarcane Breeding Institute (ICAR-SBI) and Indian Sugar & Bio-energy Manufacturers Association (ISMA) for the development and field trials of new sugarcane varieties suitable for the Company's command area. Similar to the previous year, 2–3 varieties have shown promising results during the current year in terms of higher yield and improved sugar recovery, indicating future potential for commercial adoption.

f. Promotion of Tissue Culture Seed Material

The Company continued the supply of tissue culture seed material to sugarcane growers to improve crop productivity, varietal purity, disease resistance, and uniform crop growth.

g. Satellite-Based Advisory through Agri-Tech Companies

The Company engaged Agri-Tech companies to provide satellite-based insights and advisory services to growers. These initiatives help farmers to monitor crop health, soil moisture, disease or pest incidence and crop growth patterns, enabling informed decision-making and timely interventions.

2. Technology Absorption, Adaptation & Innovation

The Company continuously evaluates and adopts emerging agricultural and digital technologies aimed at improving sugarcane productivity, farm mechanization and data-driven decision making. Collaborative efforts with research institutions and Agri-Tech partners have enabled the Company to promote scientific cultivation practices and modern agricultural interventions within its cane command area.

3. Benefits Derived

The above initiatives are expected to result in:

- Improved sugarcane yield and recovery.
- Enhanced soil health and sustainability.
- Reduction in cultivation cost through mechanization.
- Increased adoption of scientific farming practices.
- Better crop monitoring and timely advisory support to growers.
- Long-term improvement in cane quality and productivity.

2.(i) Expenditure incurred on Research & Development: Nil**(ii) Foreign Exchange earnings & Outgo**

Sl.	Particulars	Year 2025-26	Year 2024-25
i)	Foreign exchange earned in terms of actual inflows	Nil	Nil
ii)	Foreign Exchange outgo in terms of actual outflows	Rs.142.87 lakhs	Rs.224.59 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 the 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 the environment.
- Accountability for performance.

In a nutshell, the philosophy can be described as observing business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to a 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 been guided by ethical principles and has been transparent and fair in its business dealings and administration, has an adequate system of control and checks in place to ensure that the executive decisions 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 a procedure to review steps to be taken by the Company to rectify instances of non-compliance, 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 has been uploaded on the website of the Company (www.kmsugar.com). All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of the Company. In compliance with the provisions of the Companies Act 2013, amended from time to time (hereinafter called the 'Act') and Regulation 17 of Listing Regulations, the board consists of eight directors, out of which three are executive directors and five are non-executive directors. Executive directors consist of the Managing Director, Joint Managing Director, and executive director -cum-Chief Executive Officer. The present mix of the Board of the Company is as under:

- Two Promoters, Executive Directors
- One non-Promoter, Executive Director-cum- CEO
- Five Independent, Non-Executive Directors

The composition of the Board of Directors, as on 31st March, 2026, the number of other board of directors or Board committees of which they are members 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 31-03-2026
1- Shri L.K. Jhunjhunwala*	Promoter, Executive	-	-	-	3	-	Yes	14302600
2- Shri Aditya Jhunjhunwala	Promoter, Executive	3	-	1	5	-	Yes	5289242
3- Shri Sanjay Jhunjhunwala	Promoter, Executive	3	-	1	3	-	No	2494600
4-Shri S. C. Aggarwala	Independent, Executive & CEO	1	-	-	5	-	Yes	-
5-Shri Sushil Solomon	Independent –Non-Executive	-	-	--	5	-	Yes	-
6-Shri Bibhas Kumar Srivastav	Independent –Non-Executive	2	-	2	5	1	Yes	-
7-Shri Bakshi Ram	Independent –Non-Executive	3	-	-	5	1	Yes	-
8- Smt. Archana Agarwal	Independent –Non-Executive	-			3	-	Yes	
9- Shri Narendra Mohan	Independent –Non-Executive	3			3	NA	Yes	
10- Naina Devi Jhunjhunwala#	Additional Director	1	-	-	-	-	Yes	4180748

*Ceased to be director w.e.f. 14.03.2026 due to demise

#Additional Director w.e.f 18.05.2026

Inter-se Relationship: -

The disclosure of the relationship between Directors is as follows:-

Name of Director	Category	Inter-se Relationship
Shri L.K. Jhunjunwala*	Promoter, Executive	Father of Shri Aditya Jhunjunwala and Shri Sanjay Jhunjunwala
Shri Aditya Jhunjunwala	Promoter, Executive	Son of Shri L.K Jhunjunwala and Mrs. Naina Devi Jhunjunwala
Shri Sanjay Jhunjunwala	Promoter, Executive	Son of Shri L.K Jhunjunwala and Mrs. Naina Devi Jhunjunwala
Smt. Naina Devi Jhunjunwala#	Promoter Group, Additional Director	Mother of Mr Aditya jhunjunwala and Mr. Sanjay Jhunjunwala
Shri S. C. Aggarwala	Independent, Executive & CEO	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	Independent –Non-Executive	No Inter-se Relationship
Shri Narendra Mohan	Independent –Non-Executive	No Inter-se Relationship

***ceased to be Director w.e.f. 14.03.2026, due to demise**

#appointed as Additional Director w.e.f 18.05.2026

Familiarization Programmes for Directors

In terms of Regulation 25 of the 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 their 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 the Company facilities are also organized for the Directors.

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

Board Meetings: -

During the year ended on 31st March, 2026, Four Board meetings were held. The details are as follows:-

Date of Board Meeting	Board Strength	Directors Present
26.05.2026	9	9
07.08.2025	9	7
10.11.2025	9	8
10.02.2026	9	9

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

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



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

S. No	Name of Director and KMP	Category	List of core skill expertise and competence
1	Shri L.K. Jhunjunwala*	Promoter, Executive	Strategic supervision
2	Shri Aditya Jhunjunwala	Promoter, Executive	Strategic supervision, Policy Making, Business Management and Leadership.
3	Shri Sanjay Jhunjunwala	Promoter, Executive	Strategic supervision, Management and Leadership.
4	Smt. Naina Devi Jhunjunwala [§]	Promoter Group, Additional Director	Strategic Supervision
5	Shri S. C. Aggarwala	Independent, Executive- cum-CEO	Strategic Management and implementation.
6	Shri Sushil Solomon	Independent–Non-Executive	Policy Implantation Guidance, Business Plans and leadership
7	Shri Bibhas Kumar Srivastav	Independent–Non-Executive	Banking, Finance & Economics
8	Shri Bakshi Ram Yadav	Independent–Non-Executive	Business Plans & Guidance
9	Smt. Archana Agarwal	Independent–Non-Executive	Strategic Decision making and guidance
10	Shri Narendra Mohan	Independent–Non-Executive	Strategic Decision making and guidance
11	Shri Arvind Kumar Gupta	Chief Financial Officer	Implementation of Financial and Accounting Methodologies and control
12	*Ms. Ritika Tandon	Company Secretary-cum-Compliance Officer	Compliance Management and its implementation

*Ceased to be a director w.e.f 14.03.2026 due to demise.

[§] Additional Director w.e.f 18.05.2026

*Ms. Ritika Tandon has been appointed as Company Secretary and Compliance Officer in place of Mrs. Pooja Dua with effect from 07.08.2025.

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 fulfil 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.

During the year under review Mr. Bibhas Kumar Srivastava was reappointed for additional term of 5 (five) years w.e.f February 01, 2026

Board Committees

The company has five committees- the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders

Relationship Committee, the 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 three directors, out of which two are Non-Executive Independent Directors and one is the Promoter - Executive Director. 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 requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 and the provisions of the Companies Act 2013.

The Composition of the Audit Committee:-

S.No.	Name of the Member	Position	Category
1	Shri. Bibhas Kumar Srivastav	Chairman	Non-Executive Independent Director
2	Shri Sushil Solomon	Member	Non-Executive Independent Director
3	Shri S.C Aggarwala	Member	Promoter, Executive Director

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 cover areas mentioned under Regulation 18 SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013 (hereinafter referred to 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 the 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 the adequacy of the internal control system with the management.

- Reviews the adequacy of the 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 the Audit about the nature and scope of the audit, as well as post audit discussion to ascertain any area of concern.

- Review of the 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, 2026, four committee meetings were held on 26-05-2025, 07-08-2025, 10.11.2025 and 10.02.2026.

S. No	Name of the Member	Position	Number of Meetings Attended
1	Shri. Bibhas Kumar Srivastav	Chairman	4
2	Shri Sushil Solomon	Member	4
3	Shri S.C Aggarwala	Member	4

Nomination and Remuneration Committee

The Remuneration Committee comprises three directors, and all three directors are non-executive independent directors. During the year under review. During the year ended on 31st March 2026, 4 (Four) committee meetings were held on 26.05.2025, 07-08-2025, 10-11-2025 and 10-02-2026. The details are as follows:

S.no.	Name of the Member	Position	Number of meetings attended
1.	Shri Sushil Solomon	Chairman	4
2.	Shri Bakshi Ram	Member	2
3.	Smt. Archana Agarwal	Member	3

Terms of Reference: -

The Terms of Reference of the Nomination and Remuneration Committee are in line with the requirements of the Act and Part D Schedule II of the 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 agency, 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 the evaluation of the performance of independent directors and the board of directors;

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

- (4) to identify 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 the 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,

and safeguarding the interests of the Company. The manner in which the annual performance evaluations are done by the Board, including the criteria for the same, is discussed in detail in the Directors' Report.

Stakeholders' Relationship Committee

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

The Stakeholders' 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.

During the year ended on 31st March, 2026, One committee meeting were held on 26-05-2025. The details are as follows:

Sr no.	Name of the Member	Position	Number of meetings attended
1	Shri Bakshi Ram	Chairman	1
2	Smt. Archana Agarwal	Member	1
3	Shri Sanjay Jhunjhunwala	Member	1

Shareholders' Complaint: -

During the year ended 31st March, 2026, One complaint was received and resolved during the year.

Further, no complaints were pending at the beginning of the year and at the year's 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, 2026, four committee meetings were held: 26.05.2025, 07.08.2025, 10.11.2025, 10.02.2026. The details are as follows:

Sl no.	Name of the Member	Position	Number of meetings attended
1	Shri L.K. Jhunjhunwala*	Chairperson	3
2	Shri Sanjay Jhunjhunwala	Member	3
3	Shri Sushil Solomon	Member	4
4	Smt. Naina Devi Jhunjhunwala#	Member	-

* ceased to be director w.e.f 14.03.2026 due to demise

#Additional Director w.e.f 18.05.2026

Finance Committee:

The committee was formed by the Board of Directors to review the Company's proposed capital budget, Finances, Investments, requirements of funds/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, 2026, one committee meeting was held during the financial year ended 31st March, 2026, on 26th February 2026. The details are as follows:

Sl no.	Name of the Member	Position	Number of meetings attended
1	Shri Aditya Jhunjhunwala	Chairperson	1
2	Shri S. C. Aggarwala	Member	1
3	Shri Bibhas Kumar Srivastava	Member	-

Independent Directors' Meeting

During the year under review, the Independent Directors met on 26th May, 2025 inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate the 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 the 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.

During the year under review the Independent Directors also convened a meeting on 07th August 2025 to deliberate, analyze, and issue their report on the proposed demerger of the Company.

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	Prem Chandra Tiwari	V.P. (Technical)	-	-
2	Anil Kumar Pal	V.P. (Production)	-	-
3	Vivekanand Mishra	G.M. (P&A)	-	-
4	Arvind Kumar Gupta	G.M.(Finance)	-	-
5	Ratendra Kumar Johri	G.M. (System)	-	-
6	Rajendra Kumar Gupta	G.M. (Commercial)	-	-
7	Rajiv Gupta	Addl. G.M	-	-
8	Ravindra Kumar Sharma	G.M. (HR & Admin)	16-04-2025	Resigned
9	Pooja Dua	CS	07-08-2025	Resigned
10	Ritika Tandon	CS	07-08-2025	Appointment
11	Himanshu Raina	GM (HR)	18-08-2025	Appointment
12	Anil Kumar Tripathi	CGM (Cane)	22-09-2025	Appointment
13	Arvind Singh	G,M, (Cane Development)	22-09-2025	Appointment
14	Ajay Srivastava	G.M. (Engineering)	29-11-2025	Appointment
15	Balmukund Srivastava	G.M. (Finance)	-	-
16	Prithu Srivastava	Adl. G.M. (Admin)	-	-
17	Abhishek Agarwal	CGM	-	-
18	Rajiv Tyagi	GM - Production	-	-

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 were 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 are disseminated on the <https://www.kmsugar.com/policies-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 percent 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, 2026, 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 are 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 the 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 the last Annual / Extra Ordinary General Meetings were held during the last 3 years are given below:-

Financial Year	Day & Date	Location	Time	AGM/ EGM
2021-2022	22.09.2022	Video Conferencing (VC) or other audio-visual means (OAVM)	11.00 a.m.	AGM
2022-2023	25.09.2023	Video Conferencing (VC) or other audio-visual means (OAVM)	11.00 a.m.	AGM
2023-2024	03.08.2024	Video Conferencing (VC) or other audio-visual means (OAVM)	11.00 a.m.	AGM
2024-2025	29.09.2025	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
25th September, 2023	AGM	1)	To appoint a director in place of Shri L.K Jhunjunwala, by rotation and being eligible, offers himself for re-appointment by rotation and being eligible, offers for re-appointment
		2)	To appoint a director in place of Shri L.K Jhunjunwala, by rotation and being eligible, offers himself for re-appointment by rotation and being eligible, offers for re-appointment
		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 Aggarwala, (DIN -02461954) as a Whole Time Director designated as a Executive Director of the Company
03rd August, 2024	AGM	1)	To re-appoint Shri Sushil Solomon (DIN – 08553009) as an Independent Director
		2)	To appoint Smt. Archana Agarwal(DIN – 10615127) as an Independent Director of the Company
		3)	To appoint Shri Narendra Mohan (DIN – 10661367) as an Independent Director of the Company
		4)	To approve the changes in the clauses of the Article of Association of the company
		5)	To change in the registered office of the company
29.09.2025	AGM	1)	To appoint a director in place of Shri L.K. Jhunjunwala (DIN-01854647), who retires by rotation and being eligible, offered himself for re-appointment.
		2)	To re-appoint Shri Bibhas Kumar Srivastav (DIN – 06533710) as a Non-Executive and Independent Director of the Company

Postal Ballot

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

Means of Communication

The quarterly and annual results of the Company pursuant to regulation 33 and 47 of the Listing Regulations, the Intimation of Board meeting to consider financial results and after the approval of the 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 Jan Satta.

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 30.06.2025 (Un-audited)	07.08.2025	09.08.2025	Financial Express ; Jan Satta
Quarter ended 30.09.2025 (Un-audited)	10.11.2025	11.11.2025	Financial Express ; Jan Satta
Quarter ended 31.12.2025 (Un-audited)	10.02.2026	11.02.2026	Financial Express ; Jan Satta
Quarter and Year ended 31.03.2026(Audited)	18.05.2026	20.05.2026	Financial Express ; Jan Satta

* Publication arranged

The results published also show, as a 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 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 to the Company's website. No complaint under this facility was received during the period under review. Further, in pursuit of maintaining the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting 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 the Stakeholder Relationship Committee. The whistle blowers may also have direct access to the Chairman of the Audit Committee.

The Whistleblower 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 victimisation, 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 whistleblowers are not subjected to any discrimination.

No employee was denied access to the Audit Committee.

The Policy is available at (link) <https://www.kmsugar.com/polices-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 the 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 quarters ended 30-06-2025, 30-09-2025, 31-12-2025 and 31-03-2026 on 25.04.2025, 24.10.2025, 27.01.2026, 24.04.2026. 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 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 as 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 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 have been inserted in the Equity Listing Agreement for this purpose. Initially, this has been made applicable for the top 500 listed entities.

As per SEBI (LODR), Fifth Amendment Regulations, 2019, the Business Responsibility Report is mandatory for the Top 1000 listed Companies. Our ranking based on the Average market capitalization from July 01, 2025 to December 31, 2025, for the financial year 2025-26, is 1986 at NSE. Therefore, the Business Responsibility Report is not applicable to us.

Company commitment

Our Company keeps a constant track of prevalent practices among the corporate towards formulating and fine-tuning its responses to the emerging areas of 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 with 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 on doing responsible business.

General Shareholder Information:

Annual General Meeting for the financial year -2025-2026

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

Day & Date: Tuesday, July 28, 2026

Time: 11.30 AM

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

Listing on Stock Exchanges

Equity Shares	Equity Shares
Stock Code:532673 BSE Limited, 25th Floor, Phiroze Jeejeebhoy 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', Bandra Kurla 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 31-03-2026 have been paid to all the concerned stock exchanges by the Company.

Depositories:

1. National Securities Depository Ltd., Trade Worlds, 4th floor, Kamala mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	2. Central Depository Services (India) Ltd., Phiroze Jeejeebhoy Towers, 17th floor, Mumbai 400023
Compliance officer Ms. Ritika Tandon, Company Secretary, 76-Eldeco Green, Gomti Nagar, Lucknow-226010 is Compliance Officer of the Company. Mail: cs@kmsugar.in M-7571000517	Registrar & Share Transfer Agent MUFG Intime India Private Limited (Formerly known as Link Intime India Pvt Limited) C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id: delhi@in.mpms.mufg.com; sunil.mishra@in.mpmsmufg.com Website : www.linkintime.co.in

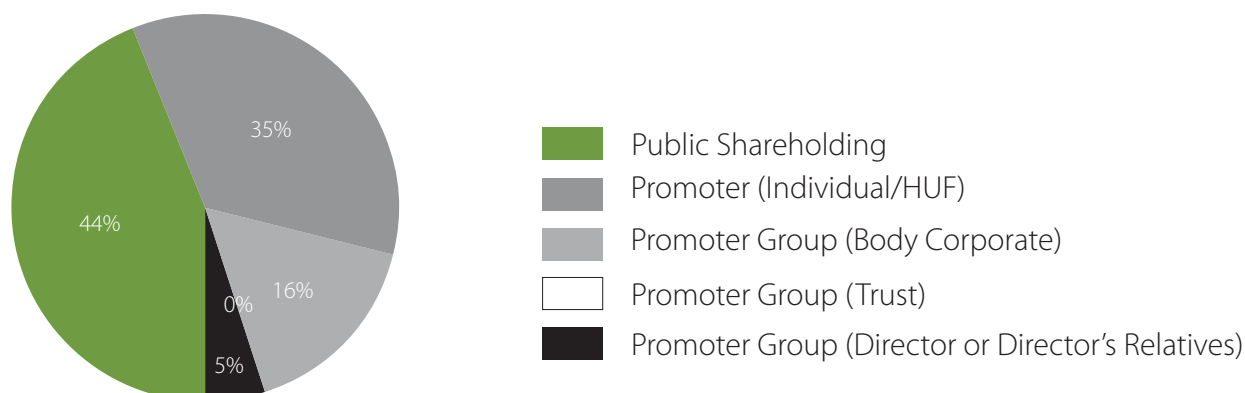
Stock Market Data (InRs.)

Month	Quotation at BSE			Quotation at NSE		
	High	Low	Closing	High	Low	Closing
Apr-25	33.5	29.0	31.2	33.2	28.9	31.0
May-25	32.8	27.5	28.9	32.5	27.3	28.7
Jun-25	31.6	26.8	27.5	31.2	26.7	27.4
Jul-25	30.9	26.5	27.2	30.5	26.4	27.1
Aug-25	29.8	25.9	26.8	29.5	25.8	26.7
Sep-25	30.2	25.5	26.9	29.9	25.4	26.8
Oct-25	31.0	24.8	26.5	30.7	24.7	26.4
Nov-25	29.5	23.9	25.8	29.2	23.8	25.7
Dec-25	28.8	23.5	25.2	28.5	23.4	25.1
Jan-26	29.0	23.2	25.0	28.7	23.1	24.9
Feb-26	28.5	22.8	24.5	28.2	22.7	24.4
Mar-26	27.9	22.5	24.2	27.6	22.5	24.1

Shareholding Pattern as at 31st March, 2026

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
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	0	0	0	0
Total shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)	12	51991499	51991499	56.51
(1) Institutions				
(a) Central Government / State Government(s)	1	1640	1640	0
(b) Financial Institutions/Banks	1	485	485	0
(c) Foreign Portfolio Investors Category I	2	171592	171592	0.19
(d) Foreign Portfolio Investors Category II				
Sub Total(b)(1)	4	119665	119665	0.12
(2) Non-Institutions				
(a)Body Corporate (including LLP)	8	110662	110662	0.12
(b)Individual				
(i)Individual shareholders holding nominal share capital up to Rs. 2 lakh	52027	26859450	26858425	29.19
(ii)Individual shareholders holding nominal share capital in excess of Rs. 2lakh	15	8849395	8849395	9.62
(iii)NBFCs registered with RBI	0	0	0	0
(iv)Any Other (Specify)				
Clearing Member	12	48785	48785	0.05
Non Resident Indians (NRIs)	352	923412	923412	1.01
Hindu Undivided Family	509	1648011	1648011	1.79
Body Corporate	80	1395239	1395234	1.52
Sub Total(B)(2)	53008	40008671	40007641	43.49
Total Public shareholding (B)=(B)(1)+(B)(2)	53008	40008671	40007641	43.49
Total (A)+(B)	53020	92000170	91999140	100
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
(1) Promoter and Promoter Group	0	0	0	0
(2) Public	0	0	0	0
Sub Total	0	0	0	0
Total (A)+(B)+(C)	53020	92000170	91999040	100

Shareholding Distribution



Demat of Shares

The trading of the Company's equity shares falls under the category of compulsory delivery in dematerialized mode and is 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 a maximum of 30 days from the date of receipt.

Distribution of Shareholding

* The Company disclosed 53020 nos. of shareholders as on 31-03-2026 as per the distribution chart.

Distribution	No. of shareholders	No. of shares
0-1000	49021	8465615
1001-2000	2278	3504721
2001-3000	896	2306492
3001- 4000	342	1241497
4001-5000	352	1673495
5001-10000	495	3784344
10001-and above	377	71024003
Total	53761	92000170

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 have affirmed compliance with the code. The same is also available in the website of the company at <https://www.kmsugar.com/polices-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 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 an 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 Strategic Investments & Holding Pvt Ltd on arm's length basis for the principal business activity of M/s K M Strategic Investments & Holding Pvt Ltd. continues. (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. 6174.21 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.375 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.100 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 2026 have been disclosed in reference to **IND-AS 24 in Note 37.8 of the financial statements and AOC-2 as Annexure-7.**

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. An 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 of 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 from Infomerics Valuation and Rating Private Limited for Long-term Bank Facilities have been reassigned to IVR A-

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 Financial Results are approved by the Board on the recommendations of the Audit Committee.

These are communicated to Stock Exchanges by email 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 the stipulated time for four quarters during 1st April, 2025 to 31st March, 2026 from the close of each quarter.

(iv) Online filing

The Company has submitted the Compliance Report on Corporate Governance, Shareholding pattern, Investors Grievances to Stock Exchanges in the prescribed format within the stipulated time for four quarters during 1st April, 2025 to 31st March, 2026 from the close of each quarter.

(v) Reconciliation of Share Capital Audit

As stipulated by the 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 for quarter ended 30.06.2025, 30.09.2025, 31.12.2025 and 31.03.2026 on 26.07.2025, 16.10.2025, 12.01.2026, 11.04.2026, 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 Standards and the provisions of SEBI (LODR) Regulations, 2015, including the amendments thereof have been followed.

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

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

(vii) Cost Audit

Pursuant to Section 148 read with the Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, to undertake a cost audit of the Company for the year ended as at 31-03-2027. Their remuneration was approved by the Board subject to the ratification by the members of the company.

(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 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 M/s. Amit Gupta & Associates, to undertake the Secretarial Audit of the

Company for a term of 5 (five) years ended. The Secretarial Audit Report was placed before the Board on May 18, 2026 as per Annexure-8. 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 2026. 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 the year ended 31st March 2026 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 2026 the company has not given Loans to a firm/company in which the Director is interested. 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

(i) Chairman's office:-

Shri L.K Jhunjunwala had been appointed as Whole Time Director designated as Executive Chairman, w.e.f 19.05.2015 and ceased to be director w.e.f 14.03.2026 due to his sadly demise.

ii) Separate posts of Chairman and CEO:

Shri L.K. Jhunjunwala was holding the position of Whole Time Director designated as Executive Chairman. Shri Aditya Jhunjunwala is the Managing Director and Shri Sanjay Jhunjunwala is the Joint Managing Director of the Company and Shri S. C Aggarwala is the Executive Director-cum- Chief Executive officer. So there exist separate posts for the Chairman & CEO of the Company. The Chairman is the 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 a soft copy of the same emailed to shareholders whose email ids are available with the Company. Shareholders who have not furnished their email IDs are advised to furnish the same to mail Id: -cs@kmsugar.in or delhi@in.mpms.mufg.com, sunil.mishra@in.mpms.mufg.com;

(iii) Section 136(1) of the Act and SEBI (LODR) Regulations, 2015 permit the circulation of abridged Accounts in lieu of a full-fledged Annual Report. The Company has, however, not exercised this option and continues to send the 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 dated 13th August 2012, has evolved a system to monitor audit qualification covered in the 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, 2026, under a declaration with the unmodified opinion.

Mandatory Compliances:-

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

The corporate governance report of the company for the year ending 31st March, 2026, 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 an matter related to capital markets during the last three years: There was no non-compliance during the FY 2025-2026, 2024-2025 and 2023-24
- (ii) Inter-se relationships between Directors and Key Managerial Personnel of the Company: Shri L.K Jhunjunwala was holding the position of Whole Time Director designated as Executive Chairman, and his elder son, Shri Aditya Jhunjunwala, is the Managing Director and his younger son, Shri Sanjay Jhunjunwala, is the Joint Managing Director 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. 37.8 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 M/s. Amit Gupta & Associates, Practicing Company Secretaries-forming a part of Annexure-8.
- (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 to determine its effectiveness.
- (xi) Information with respect to Commodity Price Risk or Foreign Exchange Risk and Hedging Activities is provided in Annexure-1.
- (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. 6,55,000/-.
- There are no details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year, along with their status as at the end of the financial year, as no such proceedings were initiated or pending.
 - The details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a 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 Amit Gupta & Associates
Company Secretaries

Pragati Gupta
Managing Partner
Firm Registration No.: P2026UP103200
Membership No. : A19302
C.P. No. 7878
P.R. No. 2601/2022
UDIN – A019302H000547764

Date: May 30, 2026
Place: Lucknow

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

I, Aditya Jhunjunwala, Managing Director 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 2025-2026 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/-

**Aditya Jhunjunwala
Managing Director
Din: 01686189**

Date: 18.05.2026

Place: Lucknow

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

We, Aditya Jhunjunwala, 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 firm 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, 2026.

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

-Sd/-

**Aditya Jhunjunwala
Managing Director
Din: 01686189**

-Sd/-

**Arvind Kumar Gupta
CFO**

Date: 18.05.2026

Place: Lucknow

Annexure-3**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)
76, Eldeco Green, Gomti Nagar, Lucknow - 226010, Uttar Pradesh

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, 2026, as stipulated in regulations 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 period April 01, 2025 to March 31, 2026.
2. The compliance with the 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 compliance with 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 applicable guidelines. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with compliance with the Corporate Governance Report with the applicable criteria.
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 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, 2026.
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 Amit Gupta & Associates
Company Secretaries**

**Pragati Gupta
Managing Partner**

**Firm Registration No.: P2026UP103200
Membership No. : A19302
C.P. No. 7878
P.R. No. 2601/2022
UDIN – A019302H000547764**

Date: May 30, 2026

Place: Lucknow

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2019)

To
The Members,
K M Sugar Mills Limited,
(CIN - L15421UP1971PLC003492)
76, Eldeco Green, Gomti Nagar, Lucknow - 226010, Uttar Pradesh

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to K M Sugar Mills Limited having CIN L15421UP1971PLC003492 and having registered office at 76, Eldeco Green, Gomti Nagar, Lucknow - 226010, Uttar Pradesh (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, under Section 164 of Companies Act, 2013 for MCA or such other statutory authority as on March 31, 2026.

Table A

S. No.	Name of Directors	Director Identification Number	Date of Appointment in the Company
1.	*Mr. L K Jhunjunwala	01854647	24/12/2002
2.	Mr. Aditya Jhunjunwala	01686189	24/12/2002
3.	Mr. Sanjay Jhunjunwala	01777954	24/12/2002
4.	Mr. S C Aggarwala	02461954	28/09/2001
5.	Mr. Sushil Solomon	08553009	06/08/2019
6.	Mr. Bibhas Kumar Srivastav	06533710	01/02/2021
7.	Mr. Bakshi Ram	02235466	08/08/2022
8.	Mrs. Archana Agarwal	10615127	21/05/2024
9.	Mr. Narendra Mohan	10661367	03/08/2024

*ceased with effect from March 14, 2026 due to demise

For Amit Gupta & Associates
Company Secretaries

Pragati Gupta
Managing Partner
Firm Registration No.: P2026UP103200
Membership No. : A19302
C.P. No. 7878
P.R. No. 2601/2022
UDIN – A019302H000547764

Date: May 30, 2026
Place: Lucknow

CEO and CFO Certification

We, S.C. Aggarwala, 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, 2026, and 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 affairs 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 that are fraudulent, illegal or in violation of the Company's code of conduct.
- (C) We, along with the 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: 18-05-2026

Place: Lucknow

-Sd/-
Arvind Kumar Gupta
CFO

-Sd/-
S.C. Aggarwala
Executive Director cum CEO
(DIN:-02461954)

Annexure-4

Report on CSR

1. Brief outline on CSR Policy of the Company:

The CSR policy of the company was approved on 30.10.2015 and is reviewed annually by the Board of Directors. It defines the company's relationship with the common stakeholders and the community for the social and environmental good. It aims to work towards the elimination of all barriers for the social inclusion of disadvantaged groups – such as the poor, socially backwards and financially excluded groups of persons. CSR activities are carried out in an environmentally 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 helps 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 Jhunjunwala (Chairman)	Whole Time Director	4	3
2	Mr. Sanjay Jhunjunwala (Member)	Whole Time Director	4	2
3	Mr. Sushil Solomon (Member)	Independent Director	4	4
4	Mrs. Naina Devi Jhunjunwala [#]	Additional Director	-	-

*ceased to be Director w.e.f 14.03.2026 due to demise

[#]Additional Director w.e.f 18.05.2026

- Web-link where the Composition of the CSR committee, the CSR Policy and the CSR projects approved by the board are disclosed on the website of the company: <https://www.kmsugar.com>.
- 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
- 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 the 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	2022-23	344950	3,44,950	-
2	2023-24	1,29,05,050	77,75,050	51,30,000
3	2024-25	31,50,000	-	31,50,000
4	2025-26	35,63,000	13,000	35,50,000
	Total	2,86,13,000	81,33,000	1,18,30,000

- Average net profit/ (Loss) of the last 3 years' company as per section 135(5): Rs. 40,56,05,000/-
- Two percent of the average net profit/ (loss) of the company as per section 135(5): Rs. 81,20,000/-
 - Surplus arising out of the CSR projects or programs, or activities of the previous financial years: Nil
 - Amount approved by the Board for CSR during the year: Rs. 81,33,000/-
 - Amount required to be set off for the financial year, if any: Rs. 81,33,000/-
 - Total CSR obligation for the financial year (7a+7b- 7d-7c):0
 - Excess Amount Spent: 35,50,000/-
- The average net profits for the immediately preceding three financial years aggregate to a Profit of Rs. 40,56,05,000/- .Hence, the Company was obligated to spend any amount on CSR activities in the financial year 2025-2026, Rs. 81,33,000/-

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

Total Amount Spent for the Financial Year. 2025-26 (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.3563000/-	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	Education of underprivileged students	Promoting education as per Clause (i) of Schedule VII	Yes	New Delhi	New Delhi	Rs 4,50,000/-	Yes	N.A.	N.A.
2	Healthcare and Sanitation	Promoting education as per Clause (i) of Schedule VII	Yes	U.P.	Ayodhya	Rs.10,00,000/-	Yes	N.A.	N.A.
3	Education of underprivileged students	Promoting education as per Clause (i) of Schedule VII	Yes	New Delhi	New Delhi	Rs.10,00,000/-	Yes	N.A.	N.A.
4	Promoting health care including preventive health care and sanitation	Promoting health care including preventive health care and sanitation, Clause (i) of Schedule VII	Yes	U.P.	Ayodhya	Rs.11,00,000/-	Yes	N.A.	N.A.
5	Promoting health care including preventive health care and sanitation	Promoting health care including preventive health care and sanitation as per Clause (i) of Schedule VII	Yes	U.P.	Ayodhya	Rs.13,000/-	Yes	N.A.	N.A.
Total (Rs.)						Rs.35,63,000.00/-			
Total CSR expenditure for FY 2025-26 (Rs.)						Rs.35,63,000.00/-			

(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. 35,63,000.00/-

(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. 81,20,000 /-
(ii)	CSR obligation of the company	Rs. 81,20,000/-
(iii)	Total amount spent for the Financial Year	Rs. 35,63,000/-
(iv)	Excess amount spent for the financial year [(iii)-(ii)]	Rs. 35,50,000/-
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 3550000 /-

10. (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 remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL	N/A	N/A	N/A	N/A	N/A	N/A

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Not applicable

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

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

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

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

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

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

12. 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.

13. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Snapshot (FY 2025–26)

During the fiscal year 2025–26, the global economy registered a moderated growth rate of approximately 2.5%. This deceleration highlights a resilient but uneven recovery under pressure from prolonged geopolitical fragmentation, elevated borrowing costs, and structural realignments across major trade channels. While advanced economies showed divergent paths—characterized by solid domestic demand in the United States and persistent economic stagnation in the Eurozone—the Indian economy continued to stand out as a global growth engine.

India outpaced major economic cohorts with a robust real GDP expansion of 6.4%, anchored by strong public infrastructure spending, resilient urban consumption, and a flourishing services sector. Volatility remained a defining characteristic of international commodity markets. Crude oil prices experienced sharp fluctuations driven by supply discipline and geopolitical risks, while gold surged to historic highs on safe-haven demand. Concurrently, energy supply diversification brought down natural gas costs across major industrial corridors.

A major macroeconomic disruption emerged from the implementation of reciprocal trade tariffs by the United States administration in early 2025. **Indian sugar and confectionery exports were subjected to an unexpected 24.99% tariff escalation**, compressing commercial margins for industrial sugar products and accelerating the domestic need to optimize internal value chains.

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.

- **Global consumption:** Estimated at 177.92 million tonnes, slightly below earlier projections due to rising health conscious alternatives.
- **Global production:** Forecast at 189.3 million tonnes, supported by bumper crops in Brazil and India, offsetting declines in the EU and U.S.
- **Ending stocks:** Increased to 41.18 million tonnes, up from 38.31 million tonnes last year, reflecting surplus supply.
- **CAGR forecast:** ~1% growth projected between 2024–2032, reaching 197.19 million tonnes by 2032.

Key Takeaways

- Sugarcane remains dominant, accounting for **~80% of global sugar output**.
- Top producers:
 - **Brazil:** Record output of **44.7 million tonnes**, aided by expanded crush capacity and a 51% ethanol diversion rate.
 - **India:** Output projected at **35.3 million tonnes**, up 25% YoY due to favorable monsoon and acreage expansion.
 - **Thailand:** Production up 2% to **10.3 million tonnes**, though exports are declining.
- **Sustainability focus:** Demand for **certified low-carbon and organic sugar** is rising, especially in the EU, where imports must comply with **Regulation 2018/848**.
- **Alt-sweeteners:** Global revenue for natural sweeteners is projected to hit **\$207 billion in 2025**, growing at **7.2% CAGR**, reflecting reformulation trends in food and beverage sectors.

According to the OECD, the global macroeconomic setting is now characterised by a more fragile balance between residual growth momentum and renewed cost side pressures arising from energy, freight and input market volatility. Advanced economies continue to face subdued industrial activity, softer consumer demand and heightened policy uncertainty. At the same time, emerging markets are expected to remain relatively stronger, albeit with greater dispersion in outcomes across countries.(OECD)

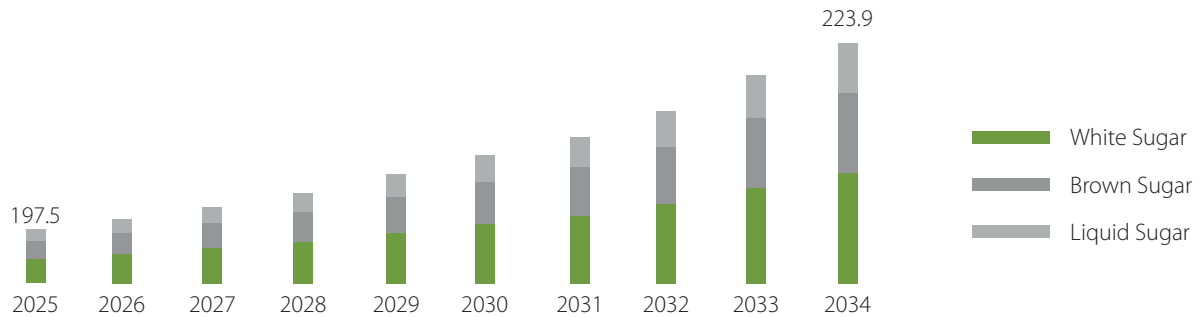
India remains comparatively well placed within this environment. According to the IMF's January 2026 update, India is projected to remain among the fastest growing major economies, with real GDP growth of 6.4% in 2026. At the same time, according to the Department of Economic Affairs' Monthly Economic Review for March 2026, domestic financial conditions have remained supportive, with bank credit growth at 14.5% year-on-year in February 2026 and overall flow of financial resources to the commercial sector rising 33.2% year-on-year. This indicates that, while India is not immune to global shocks, its domestic growth architecture remains more resilient than that of many peers. (IMF)

World Sugar Balances:

The global sugar market is undergoing a structural pivot. While the recently concluded **2025/26 season** achieved a strong supply recovery, alleviating the severe price volatility of previous years, mid-2026 data shows that this cushion is rapidly evaporating. Driven by emerging macroeconomic shifts, policy changes, and strengthening climate risks, forward projections for the **2026/27 season** indicate a return to a global supply deficit or a highly constrained flat market.

Sugar Market Forecast

Size, By Product Type, 2025-2034 (Million Tons)



The Challenges of the Sugar Industry in 2026

During FY 2025 26, the sugar sector faced broad structural challenges. India's production rose to **34.4–34.9 million tonnes**, while domestic consumption stagnated at **28–28.5 million tonnes**, creating oversupply and depressing ex mill prices to ₹3,600–3,720/quintal in Maharashtra. Ethanol blending achieved the **E20 milestone**, but diversion from sugar fell short of the 50 lakh tonne target, with only 34 lakh tonnes utilized, as Oil Marketing Companies prioritized grain based ethanol. This mismatch between the **Fair and Remunerative Price (FRP)** of ₹355/quintal and the **Minimum Support Price (MSP)** of ₹31/kg (unchanged since 2019) created liquidity stress and heightened risks of delayed farmer payments. On the global front, India's export competitiveness weakened due to low international prices and the imposition of a **24.99% tariff by the U.S. (April 2025)**, limiting the effectiveness of the 1.5 million tonne export quota. Climate change and water scarcity further strained sustainability, given sugarcane's water intensive nature. (Source: S&P Global, Government notifications)

On the global front, India's export competitiveness weakened due to low international prices and the imposition of a 24.99% tariff by the U.S. (April 2025), limiting the effectiveness of the 1.5 million tonne export quota. Climate change and water scarcity further strained sustainability, given sugarcane's water intensive nature. These challenges collectively underscore the need for policy interventions, sustainable farming practices, and diversified market strategies.

Indian Sugar Industry Seeks Urgent MSP Revision and Long-Term Ethanol Policy -2025-2026

The Indian sugar industry in FY 2025 26 has strongly emphasized the need for **urgent policy interventions** to address structural imbalances. Despite achieving the **E20 ethanol blending milestone**, diversion from sugar fell short of expectations, with only 34 lakh tonnes utilized against the target of 50 lakh tonnes. Oil Marketing Companies increasingly favored grain based ethanol, leaving sugar mills exposed to oversupply and volatile global prices. This shortfall has highlighted the necessity of a **long term ethanol policy framework** that secures sugar's role in India's energy transition, stabilizes mill revenues, and reduces dependence on

fluctuating international markets.

At the same time, the industry has raised concerns over the **Minimum Support Price (MSP)**, which has remained static at ₹31/kg since 2019. In contrast, the **Fair and Remunerative Price (FRP)** for cane stands at ₹355/quintal, creating a widening mismatch between input costs and sugar realization. This imbalance has led to liquidity stress, mounting arrears, and risks of delayed farmer payments. Industry associations, including ISMA, have formally petitioned the government to revise MSP upward to ensure parity with FRP and safeguard farmer welfare.

The Indian sugar industry has reiterated its long-standing demand for an upward revision of the Minimum Selling Price (MSP) of sugar, which has remained stagnant at ₹31/kg since 2019, despite multiple increases in the Fair and Remunerative Price (FRP) of sugarcane. Industry leaders argue that this mismatch has created severe financial stress, particularly for cooperative mills that rely on MSP benchmarks for securing pledge loans from cooperative banks. (Source: **Indian Sugar Mills Association (ISMA), Ministry of Consumer Affairs, Petroleum Ministry notifications**)

Key Demands of the Industry (FY 2025-26): (Source: ISMA policy submissions, Ministry notifications)

- **MSP Revision:** Immediate upward revision of MSP to reflect rising input costs and align with FRP, ensuring mills can meet farmer payment obligations.
- **Long Term Ethanol Policy:** Establishment of a stable, predictable ethanol roadmap that guarantees sugar's role in blending programs, reducing reliance on grain based ethanol.
- **Liquidity Support:** Government intervention through soft loans or working capital assistance to address arrears and maintain operational viability.
- **Export Facilitation:** Policy measures to offset global tariffs and low prices, ensuring India's competitiveness in international markets.
- **Sustainability Incentives:** Support for water efficient irrigation, climate resilience, and ESG linked financing to mitigate long term risks.

Ethanol Policy: Review 2025-2026(Source: Ministry of Petroleum & Natural Gas notifications, ISMA submissions, NITI Aayog reports)

During FY 2025-26, India achieved the **E20 ethanol blending milestone**, marking significant progress in the national biofuel program. However, the contribution of sugar based ethanol fell short of expectations. Out of the targeted **50 lakh tonnes of sugar diversion**, only **34 lakh tonnes** were utilized, as Oil Marketing Companies (OMCs) increasingly favoured grain based ethanol to safeguard food security. This imbalance left sugar mills exposed to oversupply pressures and volatile global sugar prices, underscoring the need for a **long term ethanol policy framework**.

The absence of a stable roadmap has created uncertainty for mills, investors, and farmers. While short term procurement targets have been met, the industry has emphasized that without predictable diversion quotas and assured pricing mechanisms, mills cannot plan capacity expansion or secure financing. Furthermore, the lack of clarity on feedstock prioritization (sugar vs. grain) risks undermining the sector's role in India's energy transition.

Key Recommendations of the Industry (FY 2025-26):(Source: ISMA policy submissions, Ministry notifications)

- **Stable Diversion Quotas:** Fix long term sugar diversion targets to ensure predictable revenue streams for mills.
- **Assured Pricing Mechanism:** Establish transparent pricing linked to FRP/MSP to protect mills from volatility.
- **Balanced Feedstock Policy:** Ensure sugar based ethanol retains priority alongside grain based ethanol in blending programs.
- **Movement Policy Rationalization:** Simplify interstate movement rules to avoid regional imbalances and ensure uniform access to OMC depots.
- **Financing & Incentives:** Provide soft loans, interest subventions, and ESG linked financing for ethanol capacity expansion.
- **Export & Trade Alignment:** Align ethanol policy with FEMA/RBI frameworks to facilitate exports and foreign exchange realization.

Ethanol & Sustainable Aviation Fuel (SAF) 2025-2026– Global Developments

India achieved the **E20 ethanol blending milestone** during FY 2025-26, marking a significant step in its biofuel program. However, sugar based diversion fell short of the targeted **50 lakh tonnes**, with

only **34 lakh tonnes** utilized, as Oil Marketing Companies prioritized grain based ethanol to safeguard food security. Policy updates included **movement restrictions and allocation guidelines** to balance supply across states, ensuring equitable distribution to OMC depots. While these measures reduced logistical bottlenecks, they also capped diversion volumes in surplus regions, creating uncertainty for mills.

Industry stakeholders, led by ISMA, have sought a **long term ethanol policy framework** with stable diversion quotas, assured pricing mechanisms linked to FRP/MSP, rationalized movement policies, and financing support for capacity expansion. Without such clarity, mills face challenges in planning investments and securing ESG linked financing. (Source: Ministry of Petroleum & Natural Gas notifications, ISMA submissions, NITI Aayog reports)

Sustainable Aviation Fuel (SAF) – Global Developments FY 2025-26

Globally, SAF gained momentum in 2025-26 as airlines and regulators accelerated efforts toward **net zero aviation by 2050**. Supply agreements expanded across **Europe, the U.S., and Asia Pacific**, enabling passenger and cargo operators to access SAF at scale. A Hong Kong based producer secured **RSB ICAO CORSIA certification**, validating lifecycle greenhouse gas reductions and ESG compliance.

Policy momentum was driven by ICAO's **CORSIA framework**, with carbon pricing and SAF mandates gaining traction. However, affordability remains a key challenge, as SAF prices are significantly higher than conventional jet fuel. Partnerships, offtake agreements, and "book and claim" mechanisms are being developed to bridge cost gaps and scale adoption. (Source: ICAO CORSIA framework updates, RSB certification announcements, international aviation industry reports)

Risks & Recommendations

- **Ethanol:** Needs **stable diversion quotas**, rationalized movement policies, and pricing linked to FRP/MSP to ensure farmer welfare and mill viability.
- **SAF:** Requires **scaling production capacity**, cost sharing partnerships, and regulatory stability to accelerate adoption.
- **Global aviation:** Must integrate SAF into long term decarbonization strategies, supported by carbon pricing and multilateral cooperation.

K M SUGAR MILLS LTD SEGMENT-WISE PERFORMANCE.

(Rs. in lakhs)

Particulars	Sugar		Distillery		Unallocable		Total	
Revenue	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Gross sales	59792	59,490	9377	9121		-	69169	68611
Less: Inter segment sales	3331	2710	-	-		-	3331	2710
External sales	56461	56780	9377	9121		-	65838	65901
Segment results	8047	6486	379	223		-	8426	6709
Less: Finance cost	1170	1817	-	-		-	1170	1817
Profit before tax							7256	4892
Current tax							1772	1354
Deferred tax							142	-17
Profit after tax							5342	3555
Other information								
Segment assets	65725	64629	9249	8359			74974	72988
Segment liabilities	32738	36389	2150	1980	898	760	35786	39129

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.**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.

The Company got converted INR term loan in foreign currency during the current financial year for a period of 180 days with hedging of the repayments.

Foreign currency risk	31st March, 2026		31st March, 2025	
	In USD	Rs. in lakhs	In USD	Rs. in lakhs
Outstanding Balance from customers	NIL	NIL	NIL	NIL
Outstanding Balance of term loan	NIL	NIL	21,04,941	1784.74

(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 counterparty 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	31st March, 2026	31st March, 2025
Upto 6 months	1,246.71	831.29
6 to 12 Months	0.04	0.01
More than 12 months	25.45	23.72

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

Particulars	Numerator	Denominator	31st March, 2026	31st March, 2025	Change
Current Ratio	Current assets	Current liabilities	1.21	1.12	8.04%
Debt-Equity Ratio	Total Debt	Total Equity	0.64	0.83	-22.89%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	4.72	2.04	131.37%*
Return on Equity Ratio	Profit for the year	Average Total Equity	14.63	11.08	32.04%^
Inventory turnover ratio	Revenue from Operations	Average Inventory	1.79	1.80	-0.56%
Trade Receivable turnover ratio	Revenue from Operations	Average Trade Receivable	63.08	34.94	-80.54%**
Trade payables turnover ratio	Purchases and Other	Average Trade Receivable	6.26	3.93	59.29%\$
Net capital turnover ratio	Revenue from Operations	Working Capital	9.17	15.78	-41.98%#
Net profit ratio	Profit for the year	Revenue from Operations	8.11%	5.39%	272bps^
Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	20.96%	17.79%	317bps
Return on investment	Profit for the year	Average Total Assets	7.22%	4.71%	251bps^

*Repayment of Term Loans

^ Increase in net Profits with increased margins

**Early realisation of Trade receivables

\$ Early Payment of Trade payables

#Turnover increase is not significant but working capital has improved with increase in profit

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

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.

FORM NO. AOC-1

Statement containing salient features of the Financial Statement of the subsidiary

(Pursuant to the 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	01.04.2025 to 31.03.2026
2	Reporting currency	Lacs
3	Share Capital	5.00
4	Reserve & Surplus	0.32
5	Total Assets	5.39
6	Total Liabilities	5.39
7	Investments	0.00
8	Turnover	0.00
9	Profit before tax	0.02
10	Provision for tax	0.01
11	Profit after tax	0.01
12	Proposed Dividend	0.00%
13	% of shareholding	99.99%

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

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

Part 'B'

Associates and Joint Ventures

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

For and on behalf of the Board of Directors

Date: 18.05.2026
Place: Lucknow

-Sd/-
Aditya Jhunjunwala
Managing Director
Din: 01686189

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 the third proviso thereto

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

- (a) Name(s) of the related party and nature of the 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 the general meeting as required under the first proviso to section 188- N/A

2. Details of material contracts or arrangements, or transactions on an arm's length basis:-

(a) Name(s) of the related party and nature of relationship:-

1	M/s Sonar Casting Ltd
---	-----------------------

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

M/s Sonar Casting Ltd	Investment and Corporate Guarantee
-----------------------	------------------------------------

(c) Duration of the contracts/arrangements/transactions: 01-04-2025 to 31-03-2026

(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 amounts 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 to due to/due from related parties.
- iii. The amount due from related parties is good, and hence no provision for doubtful debts in respect of dues from such related parties is required.

Name of the related party/Nature of transaction	Value 2025-26/ (2024-25)
M/s Sonar Casting Ltd/Corporate Guarantee	Rs.6174.12 (6866.14)
M/s Sonar Casting Ltd/ Investment in Pref. Shares	Rs. 5135.00(4960.00) (Rs. in lakhs)
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. - (550.00)
M/s Sonar Casting Ltd / Inter Corporate Deposit	Rs. 1525.00(875.00)

(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
10.03.2021 EGM	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

Date: 18.05.2026
Place: Lucknow

-Sd/-
Aditya Jhunjhunwala
Managing Director
Din: 01686189

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025
[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,
(CIN - L15421UP1971PLC003492)
76, Eldeco Green, Gomti Nagar, Lucknow - 226010, Uttar Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **K M Sugar Mills Limited** (CIN - L15421UP1971PLC003492) (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliance and expressing our 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 authorised representatives during the conduct of the 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 2026, complied with the statutory provisions listed hereunder; and also
- ii. The Company has proper Board processes and compliance mechanisms 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 2026, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **(Not applicable to the listed entity during the review period);**
- 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 and Sweat Equity) 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 clients - **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, on account of the nature of the industry, are specifically applicable to the Company:
 - (a) The Sugar (Control) Order, 2025
 - b) The Legal Metrology Act, 2009
 - c) Essential Commodities Act, 1955
 - d) Food Safety and Standards Act, 2006
 - e) The U.P. Sugar Cane (Regulation of Supply & Purchase) Act, 1953

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 Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited,

During the period under review, the Company has complied with the provisions of the Act, and the Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with a 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 convene the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Majority decisions are 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 better monitoring and ensure timely compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no material events having bearing on the affairs of the , except as follows:

During the financial year under review, the Board of Directors of the Company, at its meeting held on August 07, 2025, approved the Scheme of Arrangement for the demerger of the Company's Distillery Division (Demerged Undertaking) into its wholly owned subsidiary, KM Spirits and Allied Industries Limited (Resulting Company), on a going concern basis. The Scheme received no-objection/observations from the Stock Exchanges after filing the draft Scheme. The Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, vide its order dated March 24, 2026, approved the first motion application and directed the convening of meetings of equity shareholders and unsecured creditors. The meeting of equity shareholders was held on May 30, 2026, wherein the Scheme was approved with the requisite majority. The Scheme is subject to further necessary approvals, including the final sanction of the Hon'ble NCLT and other regulatory authorities, as applicable.

For Amit Gupta & Associates
Company Secretaries

Pragati Gupta
Managing Partner
Firm Registration No.: P2026UP103200
Membership No. : A19302
C.P. No. 7878
P.R. No. 2601/2022
UDIN – A019302H000547764

Date: May, 30th 2026

Place: Lucknow

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

**To,
The Members,
K M SUGAR MILLS LIMITED,
(CIN - L15421UP1971PLC003492)
76, Eldeco Green, Gomti Nagar, Lucknow - 226010, Uttar Pradesh**

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

1. Maintenance of secretarial records 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 a test basis to ensure that the correct facts were 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 the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and the occurrence of events, etc.
5. The Compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of the procedure on a 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 Amit Gupta & Associates
Company Secretaries

Pragati Gupta
Managing Partner
Firm Registration No.: P2026UP103200
Membership No. : A19302
C.P. No. 7878
P.R. No. 2601/2022
UDIN – A019302H000547764

Date: May 30, 2026
Place: Lucknow

Annexure-9

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, 2026

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 (in Yrs)	Designation	Qualification	Experience (in years)	Date of commencement of employment	Remuneration Rs. In Lacs	Previous employment
1	Shri L.K Jhunjhunwala*	83	Chairman	BA	51	19.09.2015	201.76	-
2	Shri Aditya Jhunjhunwala	56	Managing Director	B.COM	30	19.09.2015	545.59	-
3	Shri Sanjay Jhunjhunwala	50	Joint Managing Director	MBA	25	19.09.2015	202.39	-

*ceased to be a director w.e.f 14.03.2026 due to demise.

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
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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 31-03-2026 (In Rs.)	Remuneration year ended 31-03-2025 (In Rs.)	% Increase/ (Decrease) in remuneration*	Ratio of remuneration to median remuneration of employees	Ratio of the remuneration to Net Profit year ended 31-03-2026
Shri L.K. Jhunjhunwala**	Whole Time Director	201.76	334.36	-39.78%	51.59:1	1:326
Shri Aditya Jhunjhunwala	Mg. Director	545.59	372.81	46.34%	139.56:1	1:121
Shri Sanjay Jhunjhunwala	Jt. Mg. Director	202.39	200.47	00.96%	51.74:1	1:325
Shri S.C. Aggarwala	Exe. Director-cum- CEO	69.62	65.61	6.11%	17.80:1	1:946

**ceased to be a director w.e.f 14.03.2026 due to demise. Figures are comparable

Name(s) of Independent Directors	Remuneration/Sitting Fees – Year ended 31-03-2025 (In Rs.)	Remuneration/ Sitting Fees – in year ended 31-03-2024 (In Rs.)	% increase in remuneration
Dr. Sushil Solomon	1.40	1.35	(0)%
Sh. Bibhas Kumar Srivastav	1.00	1.20	(0)%
DR. Bakshi Ram Yadav	0.55	1.35	(0)%
Sh. Narendra Mohan	0.80	0.60	(0)%
Mrs. Archana Agarwal	1.05	0.75	(0)%
Mrs. Madhu Mathur*	0.70	0.90	(0)%
Mr. S.K. Gupta	0.75	1.45	(0)%

Name of KMP	Remuneration –Year ended 31-03-2026 (In Rs.)*	Remuneration year ended 31-03-2025 (In Rs.)	% increase in remuneration	Ratio of the remuneration to Net Profit for the year ended 31-03-2026
Sh. Arvind Gupta	26.06	23.52	10.80%	1:2535
Ms. Pooja Dua	1.31	7.72	2%	1:50258
Ms. Ritika Tandon	11.11	-	-	1:5926

* The figures are comparable

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

Sl No.	Description	Details																																			
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. Jhunjunwala Shri Aditya Jhunjunwala Shri Sanjay Jhunjunwala Shri S.C. Aggarwala		51.59:1 139.56:1 51.74:1 17.80:1 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		(39.78%) 46.34% 00.96% 6.11% 10.80% 2% Note-3																																	
3	The percentage increase in the median remuneration of employees in the financial year	1.92 %																																			
4	The number of permanent employees on the rolls of company	305																																			
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="2">Total Remuneration</td><td>(Rs. In lacs)</td></tr><tr><td colspan="2">Financial Year</td><td rowspan="2">Increase/(Decrease) in %</td></tr><tr><td>2025-26</td><td>2024-25</td></tr><tr><td>1019.36</td><td>950.25</td><td>7.23%</td></tr><tr><td colspan="2">Revenue of the Company</td><td>(Rs. In lacs)</td></tr><tr><td>Financial Year</td><td>Financial Year</td><td rowspan="2">Increase in %</td></tr><tr><td>2025-26</td><td>2024-25</td></tr><tr><td>65838.08</td><td>66,637.54</td><td>-1.20%</td></tr><tr><td colspan="2">Profit before Tax and exceptional items</td><td>(Rs. In lacs)</td></tr><tr><td>Financial Year</td><td>Financial Year</td><td rowspan="2">Increase/Decrease in %</td></tr><tr><td>2025-26</td><td>2024-25</td></tr><tr><td>7256.36</td><td>4,891.81</td><td>48.34%</td></tr></table>		Total Remuneration		(Rs. In lacs)	Financial Year		Increase/(Decrease) in %	2025-26	2024-25	1019.36	950.25	7.23%	Revenue of the Company		(Rs. In lacs)	Financial Year	Financial Year	Increase in %	2025-26	2024-25	65838.08	66,637.54	-1.20%	Profit before Tax and exceptional items		(Rs. In lacs)	Financial Year	Financial Year	Increase/Decrease in %	2025-26	2024-25	7256.36	4,891.81	48.34%	Note-3
Total Remuneration		(Rs. In lacs)																																			
Financial Year		Increase/(Decrease) in %																																			
2025-26	2024-25																																				
1019.36	950.25	7.23%																																			
Revenue of the Company		(Rs. In lacs)																																			
Financial Year	Financial Year	Increase in %																																			
2025-26	2024-25																																				
65838.08	66,637.54	-1.20%																																			
Profit before Tax and exceptional items		(Rs. In lacs)																																			
Financial Year	Financial Year	Increase/Decrease in %																																			
2025-26	2024-25																																				
7256.36	4,891.81	48.34%																																			

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 31-03-2025	As at 31.03.2026	Variation	Increase/ Decrease in %
		Closing rate at NSE	Rs.	27.63	25.15	-8.98%	
		EPS Consolidated	Rs.	3.86	5.81	50.52%	
		Market Capitalization	Rs./ lacs	₹26846.00	25000	-7.38%	
		Price Earnings Ratio	Ratio	6.46:1	4.33:1	-32.95%	

Notes:

- All other directors (Independent) were paid only sitting fee for attending the meetings of the Board and Committees thereof.
- 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.
- 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/-
Aditya Jhunjhunwala
Managing Director
Din: 01686189**

Date: : 18.05.2026
Place: Lucknow

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, 2026, 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, 2026, 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	How our audit addressed the Key Audit Matter
1	Valuation of inventory of sugar: As on March 31, 2026, the Company has inventory of sugar with a carrying value INR 37521.75lakhs. 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.	Principal Audit Procedures We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, and notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole. 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.

2	Contingent Liabilities: 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. 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.	Principal Audit Procedures 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: - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussing with management any material developments and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; - examining management's judgements and assessments whether provisions are required; - considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote;- reviewing the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.
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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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 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 37.5 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 Protection Fund and has 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, 2026 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Place: Lucknow
Date: 18.05.2026

For **Mehrotra & Mehrotra**
 Chartered Accountants
 (FRN: 000226C)
Sd/-
CA Sanjay K. Rai
 Partner
 M. No.: 507946
UDIN 26507946AFKGSQ6667

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, 2026, 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, 2026 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.37.32 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 the companies and provided unsecured loan to a company other than subsidiary, joint ventures and associates 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	Unsecured Loan Provided	1825.00	1525.00
2	Investment in Non-Cumulative Preference Shares	175.00	5135.00
3	Investment in Non-Cumulative Preference Shares	400.00	400.00

(The above amount is appearing in Note 5 on Non-current loan 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 the terms and conditions of the loans provided by the company are not prejudicial to the interest of the company except that the investment made are in non-cumulative preference shares and equity shares.
- (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 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, 2026 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
Income Tax Act	Income Tax	6.50	-	2017-2018	Commissioner of Income Tax (Appeal)
Income Tax Act	Income Tax	650.81	-	2014-2015	Commissioner of Income Tax (Appeal)
Income Tax Act	Income Tax	33.42	-	2019-2020	Commissioner of Income Tax (Appeal)
Total		690.73	-		

- viii) According to the information and explanations given to us and the records of company examining 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(43of 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 thereon 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, clause 3 (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 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 3(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

(FRN: 000226C)

Sd/-

CA Sanjay K. Rai

Partner

M. No.: 507946

UDIN-26507946AFKGSQ6667

Place: Lucknow
Date: 18.05.2026

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 2026 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 2026, 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

(FRN: 000226C)

Sd/-

CA Sanjay K. Rai

Partner

M. No.: 507946

UDIN-26507946AFKGSQ6667

Place: Lucknow

Date: 18.05.2026

Standalone Balance Sheet for the year ended 31st March, 2026

(Rs. in lakhs)

Particulars	Notes No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
(1) Non current assets			
(a) Property, plant and equipment	3	18,326.14	15,875.17
(b) Capital work in progress	3A	1,377.07	748.61
(c) Intangible assets	3B	14.85	4.94
(d) Right-of-use-assets	3C	4,387.81	4,627.19
(e) Financial assets			
(i) Investments	4	7,347.84	7,064.56
(ii) Loans	5	1,525.00	1,124.25
(iii) Other financial assets	6	348.31	968.95
(f) Non current tax assets (net)	7	409.57	335.00
(g) Other non current assets	8	85.02	2,145.23
Total non current assets		33,821.61	32,893.90
(2) Current assets			
(a) Inventories	9	38,087.05	36,720.55
(b) Financial assets			
(i) Investments	10	218.85	296.00
(ii) Trade and other receivables	11	1,248.42	839.01
(iii) Cash and cash equivalents	12	145.70	384.17
(iv) Bank balances other than cash and cash equivalents	12A	501.37	460.18
(v) Loans	13	-	550.00
(vi) Other financial assets	14	34.93	2.33
(c) Other current assets	15	916.51	842.24
Total current assets		41,152.83	40,094.48
Total assets		74,974.44	72,988.38
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	1,840.00	1,840.00
(b) Other equity	17	37,348.18	32,019.08
Total equity		39,188.18	33,859.08
LIABILITIES			
(1) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	353.31	1,908.61
(ii) Other financial liabilities	19	18.24	33.08
(b) Other non current liabilities	20	14.50	14.50
(c) Deferred tax liabilities (net)	21	897.64	759.67
(d) Provisions	22	525.95	495.24
Total non current liabilities		1,809.64	3,211.10
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	24,621.16	26,276.63
(ii) Trade and other payables	24	7,490.49	8,191.82
(iii) Other financial liabilities	25	1,404.17	1,138.80
(b) Other current liabilities	26	397.13	218.33
(c) Provisions	22	63.67	92.62
Total current liabilities		33,976.62	35,918.20
Total equity and liabilities		74,974.44	72,988.38
Corporate Information	1		

Significant Accounting Policies and accompanying notes 2 to 37 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. Aggarwala
Executive Director
(DIN-02461954)

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

A. K. Gupta
Chief Financial Officer

Ritika Tandon
Company Secretary

Place : Lucknow
Date : 18th May, 2026

Standalone statement of Profit and Loss for the year ended 31st March, 2026

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
I Revenue From Operations	27	65,838.08	65,900.52
II Other Income	28	1,950.60	737.02
III Total Income (I+II)		67,788.68	66,637.54
IV EXPENSES			
Cost of materials consumed	29	46,411.05	42,936.52
Purchase of stock in trade	30	78.51	48.37
Changes in inventories of finished goods, by-products and work-in-progress	31	(1,499.33)	1,668.54
Employee benefit expenses	32	2,475.13	2,198.50
Finance costs	33	1,170.17	1,816.54
Depreciation and amortisation expenses	34	2,200.94	2,196.75
Other expenses	35	9,695.88	10,880.51
Total expenses		60,532.35	61,745.73
V Profit/(loss) before exceptional items and tax (III-IV)		7,256.33	4,891.81
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		7,256.33	4,891.81
VIII Tax expenses :	36		
Current tax		1,760.92	1,328.51
Tax expense of earlier year		11.26	25.81
Deferred tax		141.77	(17.60)
		1,913.95	1,336.72
IX Profit (Loss) for the period (VII-VIII)		5,342.38	3,555.09
X Other Comprehensive Income :			
(i) Items that will not be reclassified to profit and loss :			
Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation		(15.60)	(18.91)
Gain / (Loss) arising on fair valuation of equity instruments		0.62	0.14
(ii) Income tax relating to items that will not be reclassified to profit and loss		3.80	4.73
		(11.18)	(14.04)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		5,331.20	3,541.05
XII Earnings per equity share (Equity share of Rs. 2/- each)			
(1) Basic		5.81	3.86
(2) Diluted		5.81	3.86

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 37 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. Aggarwala
Executive Director
(DIN-02461954)

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Place : Lucknow
Date : 18th May, 2026

Standalone Statement of Cash Flows for the year ended 31st March, 2025

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2026		As at 31st March, 2025	
A.	Cash flow from operating activities				
	Profit before tax		7,256.33		4,891.81
	<i>Adjustment to reconcile profit before tax to net cash flow provided by operating activities:</i>				
	Depreciation and amortisation expense	2,200.94		2,196.75	
	Finance costs	1,170.17		1,816.54	
	Transfer to storage fund for molasses	2.90		2.84	
	Provision/(reversal) of doubtful debts	7.71		4.45	
	Balances written off	2.67		7.28	
	Interest Income	(597.91)		(389.42)	
	Government Grant	-		(29.48)	
	Storage fund for molasses written back	(5.00)		(5.98)	
	Fair valuation on investment and others	285.52		181.81	
	Loss/(Profit) on sale of property, plant and equipments	(205.48)		147.17	
	Unspent liabilities/balances written back	(3.78)		(13.66)	
	Other measurement income	(32.11)		(30.95)	
	Other measurement expenses	40.58		27.43	
	Remeasurement of defined benefit obligation	(15.60)	2,850.61	(18.91)	3,895.87
	Operating Profit before working capital changes		10,106.94		8,787.68
	<i>Adjustment to reconcile operating profit to cash flow provided by change in working capital</i>				
	(Increase)/Decrease in trade and other receivables	(409.41)		2,094.26	
	(Increase) / Decrease in inventories	(1,366.50)		1,678.38	
	(Increase) / Decrease in Non current Assets	2,019.63		(186.43)	
	(Increase) / Decrease in Current Assets	(84.65)		120.58	
	(Increase) / Decrease in Non current Financial Assets	219.89		(349.85)	
	(Increase) / Decrease in Current Financial Assets	480.50		(50.82)	
	Increase / (Decrease) in trade payables & Others	(701.33)		(7,255.32)	
	Increase / (Decrease) in non current liabilities	-		-	
	Increase / (Decrease) in current liabilities	182.58		(252.02)	
	Increase / (Decrease) in Other Non current Financial Liabilities	(14.84)		(18.36)	
	Increase / (Decrease) in Other current Financial Liabilities	273.90		64.17	
	Increase / (Decrease) in Non Current Provisions	30.71		6.22	
	Increase / (Decrease) in Current Provisions	(28.95)		16.57	
			601.53		(4,132.62)
	Cash generated from operations		10,708.47		4,655.06
	Tax expense		(1,846.76)		(1,521.66)
	Net cash generated from operating activities (A)		8,861.71		3,133.40

Standalone Statement of Cash Flows for the year ended 31st March, 2025

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2026		As at 31st March, 2025	
B.	Cash Flow from investing activities				
	Addition to property, plant and equipment (including capital work in progress) (Net)	(5,186.11)		(1,537.22)	
	Proceed from Sale of property, plant and equipment	340.69		41.51	
	Investment in equity and other (Net)	(491.01)		348.92	
	Interest income received	625.72		424.44	
	Net cash used in investing activities (B)		(4,710.71)		(722.35)
C.	Cash flow from financing activities				
	Proceed/(Repayments) of long term borrowings	(2,819.99)		(1,152.06)	
	Proceeds/(Repayments) of short term borrowings	(390.78)		224.76	
	Finance cost paid	(1,178.70)		(1,826.19)	
	Net cash from financing activities (C)		(4,389.47)		(2,753.49)
	Net increase in cash & cash equivalents (A+B+C)		(238.47)		(342.44)
D.	Opening cash and cash equivalents		384.17		726.61
E.	Closing cash and cash equivalents for the purpose of cash flow statement (Refer Note No.12)		145.70		384.17
	Increase in cash & cash equivalents (D-E)		(238.47)		(342.44)

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	13.96	5.19
Cheque on hand	0.06	308.00
Balances with Banks	131.68	70.98
Supplementary Information	145.70	384.17
- 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 : 18th May, 2026

For and on behalf of Board of Directors

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

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Standalone Statement of change in equity for the year ended 31st March, 2026

(a) Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2026	Change during the year	As at 31st March, 2025	Change during the year	As at 31st March, 2024
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, 2024	1,179.90	30.58	12.40	2,688.01	18,712.23	6,068.08	(88.55)	(121.48)	28,481.17
Profit for the period	-	-	-	-	3,555.09	-	-	-	3,555.09
Other Comprehensive Income	-	-	-	-	-	-	0.11	(14.15)	(14.04)
Transfer to Molasses Fund	-	2.84	-	-	-	-	-	-	2.84
Storage fund of molasses w/back	-	(5.98)	-	-	-	-	-	-	(5.98)
Transfer to retained earning	-	-	-	-	1,433.10	(1,433.10)	-	-	-
Transfer to General Reserve	8,820.10	-	-	-	(8,820.10)	-	-	-	-
As at 31st March, 2025	10,000.00	27.44	12.40	2,688.01	14,880.32	4,634.98	(88.44)	(135.63)	32,019.08
Profit for the period	-	-	-	-	5,342.38	-	-	-	5,342.38
Other Comprehensive Income	-	-	-	-	-	-	0.50	(11.68)	(11.18)
Total Comprehensive Income	10,000.00	27.44	12.40	2,688.01	20,222.70	4,634.98	(87.94)	(147.31)	37,350.28
Transfer to General Reserve	5,000.00	-	-	-	(5,000.00)	-	-	-	-
Transfer to Molasses Fund	-	2.90	-	-	-	-	-	-	2.90
Storage fund of molasses w/back	-	(5.00)	-	-	-	-	-	-	(5.00)
Transfer to retained earning	-	-	-	-	239.34	(239.34)	-	-	-
As at March 31, 2026	15,000.00	25.34	12.40	2,688.01	15,462.04	4,395.64	(87.94)	(147.31)	37,348.18

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. Aggarwala
Executive Director
(DIN-02461954)
A. K. Gupta
Chief Financial Officer

Aditya Jhunjunwala
Managing Director
(DIN-01686189)
Ritika Tandon
Company Secretary

Place : Lucknow
Date : 18th May, 2026

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 76, Eldeco Greens, Gomtinagar, Lucknow-226010, Uttar Pradesh, India.

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

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

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

2.2 Basis of Preparation of Financial Statements

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

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

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

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

2.3 Use of Estimates

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

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

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

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

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

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

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

(ii) Current taxes and deferred taxes

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

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

(iii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term

Notes forming part of Standalone Financial Statement

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.

- (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, 2026
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:

Notes forming part of Standalone Financial Statement

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

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

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

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

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

Preference Share

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

De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or

it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

Notes forming part of Standalone Financial Statement

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 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

Notes forming part of Standalone Financial Statement

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.

(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.
- (f) Provisions and contingent liabilities are reviewed at each balance sheet date.

Notes forming part of Standalone Financial Statement

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.

2.24 Leases

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

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

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

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

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

Company as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The

Notes forming part of Standalone Financial Statement

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.

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 : 18th May, 2026

For and on behalf of Board of Directors

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

A. K. Gupta
Chief Financial Officer

Aditya Jhunjunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Notes forming part of Standalone Financial Statement

for the year ended 31st March, 2026

Note 3: Property, Plant and Equipment

(Rs. in lakhs)

Particulars	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Gross Block								
Balance as at 1st April, 24	930.78	1,430.75	36,996.93	576.42	1,073.45	171.31	132.75	41,312.39
Additions	20.27	98.98	1,576.09	24.68	225.91	12.62	2.07	1,960.62
Disposal/Deduction	-	-	528.06	1.24	13.30	3.28	-	545.88
Balance as at 31st March, 25	951.05	1,529.73	38,044.96	599.86	1,286.06	180.65	134.82	42,727.13
Additions	1,979.10	483.08	1,944.47	20.56	92.47	14.97	11.70	4,546.35
Disposal/Deduction/Adjustment	-	-	1,058.73	-	139.71	-	-	1,198.44
Balance as at 31st March, 26	2,930.15	2,012.81	38,930.70	620.42	1,238.82	195.62	146.52	46,075.04
Accumulated depreciation								
Balance as at 1st April, 24	-	1,013.62	22,515.94	480.94	967.63	150.96	125.09	25,254.18
Depreciation for the year	-	49.52	1,823.80	26.09	42.67	10.14	2.76	1,954.98
Disposal/Deduction	-	-	340.80	1.21	12.00	3.19	-	357.20
Balance as at 31st March, 25	-	1,063.14	23,998.94	505.82	998.30	157.91	127.85	26,851.96
Depreciation for the year	-	72.79	1,742.14	24.88	98.87	12.61	4.28	1,955.57
Disposal/Deduction	-	-	925.77	-	132.86	-	-	1,058.63
Balance as at 31st March, 26	-	1,135.93	24,815.31	530.70	964.31	170.52	132.13	27,748.90

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, 2025	951.05	466.59	14,046.02	94.04	287.76	22.74	6.97	15,875.17
As at 31st March, 2026	2,930.15	876.88	14,115.39	89.72	274.51	25.10	14.39	18,326.14

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, 2025

Note 3A Capital work in progress

(Rs. in lakhs)

Description	Amount
Balance as at 01st April, 2024	1,175.51
Additions	1,156.25
Capitalisation	1,583.15
Balance as at 31st March, 2025	748.61
Additions	2,190.20
Capitalisation	1,561.74
Balance as at 31st March, 2026	1,377.07

Refer note no. 38.26 for ageing

Note 3B Intangible Assets

(Rs. in lakhs)

Description	Amount
Gross carrying amount as at 01st April, 2024	37.46
Additions	3.50
Deductions	-
Balance as at 31st March, 2025	40.96
Additions	15.89
Deductions	-
Balance as at 31st March, 2026	56.85
Gross carrying amount as at 01st April, 2024	33.63
Depreciation for the year	2.39
Balance as at 31st March, 2025	36.02
Depreciation for the year	5.98
Balance as at 31st March, 2026	42.00
Net carrying amount	
As at 31st March, 2025	4.94
As at 31st March, 2026	14.85

Notes forming part of Standalone Financial Statement

Note 3C Right-of-use-assets

(Rs. in lakhs)

Description	Amount
Gross carrying amount as at 01st April, 2024	6,063.47
Additions	-
Deductions	-
Balance as at 31st March, 2025	6,063.47
Additions	-
Deductions	-
Balance as at 31st March, 2026	6,063.47
Accumulated depreciation as at 01st April, 2024	1,196.90
Depreciation for the year	239.38
Deductions	-
Balance as at 31st March, 2025	1,436.28
Depreciation for the year	239.38
Deductions	-
Balance as at 31st March, 2026	1,675.66
Net carrying amount	
As at 31st March, 2025	4,627.19
As at 31st March, 2026	4,387.81

* Refer note no.37.26

Note 4 Non-current Investments

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Equity Instruments		
(1) Measured at cost		
Unquoted		
In equity shares of companies fully paid up		
Subsidiary company		
50,000 equity shares having face value of Rs. 10 each in KM Sprits and Allied Industries Ltd.	5.00	5.00
(2) Designated at Fair Value through other comprehensive income		
Unquoted		
(a) 1,000 equity shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd.	0.24	0.23
(b) 25,000 equity shares having face value Rs.10 each in K.M Shakar Karkhana Pvt Ltd.	-	-
(c) 2,000 equity shares having face value of Rs. 10 each in HH Foundation	0.62	-
(d) 10,90,000 equity shares having face value of Rs.10 each in Sonar Casting Ltd.	-	-
(e) 22,222 equity shares having face value of Rs. 10 each in Sonar Casting Ltd.	400.00	-
(ii) Preference share (Measured at amortised cost)		
In 12.50% Non-cumulative redeemable preference shares fully paid up		
5,13,50,000 (4,96,00,000) Preference Shares having face value of Rs.10 each in Sonar Casting Ltd.	4,591.98	4,709.33
(iii) In 8% Optionally fully convertible debenture fully paid up		
Measured at cost		
2,350 (2,350) Optionally fully convertible Debenture with face Value of Rs.1,00,000 each in K M Stratagic Investments & Holdings Pvt. Ltd.	2,350.00	2,350.00
Total	7,347.84	7,064.56

Notes forming part of Standalone Financial Statement

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2026
Aggregate carrying value of unquoted investments	7,347.84	7,064.56
Aggregate fair value of unquoted investments	7,347.84	7,064.56

Note 5 Non-current Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2026
Carried at cost		
Unsecured considered good		
Loan to a related party	1,525.00	1,124.25
Total	1,525.00	1,124.25

Note 6 Other non-current financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2026
Unsecured, considered good:		
Security deposits	30.34	40.34
Fixed deposit with banks		
Original maturity more than 12 months	14.50	738.50
Fixed deposit (Earmarked)		
Original maturity more than 12 months *	297.59	175.45
For molasses storage fund maturing after 12 months	2.50	6.50
Interest accrued on fixed deposits with banks	3.38	8.16
Total	348.31	968.95

*Held with banks and Government departments

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

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2026
Advance Tax	2,088.43	1,583.43
TDS and TCS Receivable	82.06	80.08
	2,170.49	1,663.51
Less:- Provision for Income Tax for current year	1,760.92	1,328.51
Total	409.57	335.00

Notes forming part of Standalone Financial Statement

Note 8 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Unsecured, considered good:				
Capital advances		36.98		2,072.39
Advance to suppliers and others				
Considered Good				
Considered doubtful	43.57		47.23	
Less: Allowance for doubtful advance	43.57	-	47.23	-
Others		2.50		3.01
Prepaid Expenses		45.54		69.83
Total		85.02		2,145.23

Note 9 Inventories

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
(As taken, valued and certified by the Management)				
(a) Finished Goods *				
Sugar	33,197.98		31,628.77	
Molasses	1,755.85		1,919.35	
Bagasse	1,677.14		1,480.28	
Industrial Alcohol	616.21		831.64	
Banked Power	210.24		142.48	
Others	64.33	37,521.75	19.90	36,022.42
(b) Stores and spares		565.30		698.13
Total		38,087.05		36,720.55

*Refer Note No. 2.7 for Method of Valuation

Note 10 Current Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Designated at Fair Value through other comprehensive income		
Quoted		
100 (Previous year Nil) equity shares having face value Rs.1 each in Shree Renuka Sugars Limited	0.03	-
Designated at fair value through profit and loss		
Investment in Mutual Fund		
200.00 (Previous year 200.00) units of SBI Balanced Advantage Fund	0.03	0.03
5,06,263.449 (Previous year Nil) units of SBI Savings Fund	218.79	-
Nil (Previous year 6,46,416.306) units of SBI Equity Saving Fund	-	146.86
Nil (Previous year 2,35,441.161) units of HDFC Equity Saving Fund	-	149.11
Total	218.85	296.00

Notes forming part of Standalone Financial Statement

Note 11 Trade and other receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good:		
Trade receivables		
Includes unbilled revenue of Rs.175.03 lakhs (previous year Rs.135.70 Lakhs)	1,248.42	839.01
Credit impaired	23.78	16.01
	1,272.20	855.02
Less:- Allowance for doubtful debts	23.78	16.01
Total	1,248.42	839.01

Refer note no. 37.27 for ageing schedule. Includes receivable Rs.Nil from related party(s) (Previous year Rs.0.51 lakhs)

Note 12 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with Banks	131.68	70.98
Cheques on Hand	0.06	308.00
Cash on hand*	13.96	5.19
Total	145.70	384.17

*As certified by the management

Note 12A Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed deposit with banks		
Original maturity more than 12 months	385.00	-
Fixed deposits with banks (Earmarked)		
Pledged with bank maturing within 12 months	-	412.47
Pledged with bank for bank guarantee maturing within 12 months*	26.14	11.69
For security with Government authorities maturing within 12 months*	62.92	11.51
For molasses storage fund original maturity period upto 12 months**	26.00	23.20
Unpaid dividend accounts	1.31	1.31
Total	501.37	460.18

*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, 2026	As at 31st March, 2025
Unsecured, considered good		
Loans and advances		
Loan to a related party	-	550.00
Total	-	550.00

Note 14 Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Interest accrued on fixed deposits with banks	34.93	2.33
Total	34.93	2.33

Notes forming part of Standalone Financial Statement

Note 15 Other current assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Unsecured, considered good unless stated otherwise				
Security Deposit				
Unsecured, considered good	87.90		26.87	
Credit impaired	16.00		16.00	
	103.90		42.87	
Less: Allowance for expected credit loss	16.00	87.90	16.00	26.87
GST and other taxes receivable		163.34		54.13
Advance to employees		24.81		23.20
Advances for supply of goods & services		264.82		204.31
Prepaid Expenses		257.21		266.23
CSR Pre-Spent*		118.30		164.00
Others		0.13		103.50
Total		916.51		842.24

*Refer note no. 37.12

Note 16 Equity Share Capital

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of shares	Amount Rs. in lakhs	No. of shares	Amount Rs. in lakhs
Authorised				
Equity Shares of Rs. 2/- each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Issued, subscribed and fully paid up				
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, 2026		As at 31st March, 2025	
	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.37.31 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, 2026	As at 31st March, 2025
General Reserve		
Opening balance	10,000.00	1,179.90
Add: Changes during the year	5,000.00	8,820.10
Closing balance	15,000.00	10,000.00
Molasses Storage Fund		
Opening balance	27.44	30.58
Less: Written back during the year	5.00	5.98
Add: Changes during the year	2.90	2.84
Closing balance	25.34	27.44
Sugar Price Equalisation Reserve		
Opening balance	12.40	12.40
Add: Changes during the year	-	-
Closing balance	12.40	12.40
Securities Premium Account		
Opening balance	2,688.01	2,688.01
Add: Changes during the year	-	-
Closing balance	2,688.01	2,688.01
Retained Earnings		
Opening balance	14,880.32	18,712.23
Add: Profit/ Loss during the year	5,342.38	3,555.09
Add: Transfer from Other Comprehensive Income	239.34	1,433.10
Less: Transfer to general reserve	5,000.00	8,820.10
Closing balance	15,462.04	14,880.32
Comprehensive Income		
Opening balance	4,410.91	5,858.05
Add: Changes during the year	(11.18)	(14.04)
Less: Transfer to Retained Earnings	239.34	1,433.10
Closing balance	4,160.39	4,410.91
Total	37,348.18	32,019.08

Notes forming part of Standalone Financial Statement

- 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.28.50 lakhs (Previous year: Rs.29.70 lakhs). [Refer Note No.6 and 12A].
- iii. Sugar Price Equalisation Reserve: Refer note no.37.13
- 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 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, 2026		As at 31st March, 2025	
	Current	Non current	Current	Non current
Secured term loans from banks				
State Bank of India GECL	-	-	363.16	-
State Bank of India Turbine Term Loan	-	-	72.00	879.41
State Bank of India Term Loan	-	-	833.33	-
HDFC Bank Term Loan	625.00	312.50	625.00	937.50
BMW Financial Services Pvt. Ltd.- Car Loan	50.88	40.81	47.08	91.70
Total	675.88	353.31	1,940.57	1,908.61

Details of securities offered

- (1) 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.
- (2) 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.
- (3) Rupee Turbine Term Loan of State Bank of India is secured by exclusive first charge on 15 MW turbine 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.
- (4) Rupee Loan of BMW Financial Services Pvt. Ltd. (Car Loan) is secured by first charge on car financed.

Terms of Repayment

(Rs. in lakhs)

Name of the banks / entities	Interest Rate (%)	Amount Outstanding as on 31st March, 2026		Period of maturity as at 31st March, 2026	No. and amount of instalment outstanding
		Current	Non Current		
HDFC Tem Loan	7.16	625.00	937.50	1 year and 6 months	6 Quarterly instalment of Rs.156.25 lakhs
BMW Financial Service Pvt. Ltd.-Car loan	7.77	50.88	91.70	1 years and 9 months	2 monthly instalment of Rs.4.68 lakhs including EMI interest
Total		675.88	353.31		

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.

Notes forming part of Standalone Financial Statement

Note 19 Other non current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Corporate Guarantees issued	18.24	33.08
Total	18.24	33.08

Note 20 Other non current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Other payable	14.50	14.50
Total	14.50	14.50

Note 21 Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities		
Depreciation	1,319.52	1,105.95
Total A	1,319.52	1,105.95
Deferred Tax Assets		
Expenses allowable on payment basis	108.92	107.19
Others	312.96	239.09
Total B	421.88	346.28
Total A-B	897.64	759.67

*Refer Note 36

Note 22 Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non current	Current	Non current
Provisions for employees benefits*				
Unavailed leave	30.90	39.09	29.47	43.39
Gratuity	32.77	35.01	63.15	-
Other Provision **	-	451.85	-	451.85
Total	63.67	525.95	92.62	495.24

* Refer note no.37.4

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

Note 23 Short Term borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loan payable on demand		
Working capital loans from banks		
State Bank of India	13,361.90	15,364.24
Punjab National Bank	4,491.75	4,493.40
HDFC Bank Ltd.	2,590.66	982.44
Yes Bank Ltd.	3,500.97	3,495.98
Current maturities of long term borrowings*	675.88	1,940.57
Total	24,621.16	26,276.63

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

Notes forming part of Standalone Financial Statement

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 a director.

Note 24 Trade and other payables

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade payable		
Payable to Micro and small enterprises*	109.36	148.19
Payable to other than Micro and small enterprises	7,334.57	7,968.08
Other payables-Suppliers of capital goods		
Payable to Micro and small enterprises*	6.06	27.18
Payable to other than Micro and small enterprises	40.50	48.37
Total	7,490.49	8,191.82

* Refer note no.37.7

Refer note no.37.30 for ageing schedule

Note 25 Other current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest accrued but not due on borrowings	0.31	0.42
Interest accrued and due on borrowings	6.17	14.59
Security Deposit	303.37	280.16
Salary and other payables to employees	252.02	220.96
Unpaid dividend	1.31	1.31
Outstanding liability of related party	474.09	290.04
Corporate guarantee	14.84	18.36
Other payable *	352.06	312.96
Total	1,404.17	1,138.80

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

Notes forming part of Standalone Financial Statement

Note 26 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	284.11	142.37
Advances from customers	113.02	75.96
Total	397.13	218.33

Note 27 Revenue from operations

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Sale of goods		
Sugar	51,425.32	52,739.98
Molasses	22.80	22.80
Bagasse	3,055.15	2,859.19
Industrial alcohol	5,294.22	4,276.00
Power	1,693.50	759.71
Others*	4,297.77	4,989.16
Total A	65,788.76	65,646.84
Other operating revenue**		
Export quota sale	49.32	253.68
Total B	49.32	253.68
Total revenue from operations Total (A+B)	65,838.08	65,900.52

*Include country liquor sale Rs.4083.00 lakhs (Previous year Rs.4844.75 lakhs)

** Refer Note No. 37.20

Note 28 Other income

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest income		
From Banks	85.72	59.86
From Others	512.19	329.56
Deferred Government Grant*	-	29.48
Other non operating income		
Foreign currency Gain/(Loss)	-	0.11
Insurance claims	718.02	23.13
Profit on sale of fixed assets	246.73	11.22
Unspent liabilities/balances written back	3.78	13.66
Miscellaneous income	296.99	160.18
Gain on mutual funds	46.46	-
Reversal of provision for doubtful debts/Advances	3.60	-
Storage fund for molasses written back**	5.00	5.98
Profit on sale of Investment	-	72.89
Others***	32.11	30.95
Total	1,950.60	737.02

*Refer Note No. 37.11

** Refer note no.17

*** Measurement of Guarantee commission

Notes forming part of Standalone Financial Statement

Note 29 Cost of materials consumed

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Sugar cane	46,097.14	42,558.77
Other	313.91	377.75
Total	46,411.05	42,936.52

Note 30 Purchase of stock in trade

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Other	78.51	48.37
Total	78.51	48.37

Note 31 Changes in inventories of finished goods, by-products and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Finished goods		
Opening stock		
Sugar	31,628.78	33,947.34
Molasses	1,919.35	1,418.71
Bagasse	1,480.28	1,063.35
Industrial alcohol	831.64	527.19
Banked Power	142.47	132.26
Others	19.90	9.21
Total (a)	36,022.42	37,098.06
Less : Closing stock		
Sugar	33,197.98	31,628.78
Molasses	1,755.85	1,919.35
Bagasse	1,677.14	1,480.28
Industrial alcohol	616.21	831.64
Banked Power	210.24	142.47
Others	64.33	19.90
Total (b)	37,521.75	36,022.42
Total (a-b)	(1,499.33)	1,075.64
Work-in-progress		
Opening stock	-	592.90
Less : Closing stock	-	-
	-	592.90
(Increase)/Decrease in Inventories (Total)	(1,499.33)	1,668.54

Notes forming part of Standalone Financial Statement

Note 32 Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Salary, wages, bonus and other payments	2,206.91	2,025.06
Contribution to provident fund and other funds	124.16	121.44
Workmen and staff welfare expenses	105.21	42.81
Gratuity expense	38.85	9.19
Total	2,475.13	2,198.50

Note 33 Finance costs

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest expenses		
Cash credit	864.15	1,315.71
Term loan	193.07	398.67
Others	30.03	38.20
Other borrowing costs	82.92	63.96
Total	1,170.17	1,816.54

Note 34 Depreciation and amortisation expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation		
Depreciation of property, plant & equipments	1,955.57	1,954.98
Amortisation		
Amortisation of intangible assets	5.99	2.39
Amortisation of right to use assets	239.38	239.38
Total	2,200.94	2,196.75

Notes forming part of Standalone Financial Statement

Note 35 Other Expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Consumption of stores and spare parts	561.91	571.31
Packing materials	1,782.67	2,216.63
Power and fuel	565.87	675.02
Rent	208.06	257.05
Repairs to :		
Buildings	108.47	103.00
Plant & Machinery	1,766.82	1,755.02
Others	296.41	304.27
Insurance	133.41	190.15
Rates and taxes	545.35	575.26
Selling expenses :		
Commission to selling agents	243.69	241.46
Other selling expenses	798.95	1,068.72
Payments to auditors :		
Audit fee (including limited review fee)	10.50	10.50
Tax audit fee	1.50	1.50
Reimbursement of expenses	0.58	1.50
Charity and donation	17.94	30.45
Printing and stationary	18.38	17.56
Communication expenses	17.95	19.00
Travelling expenses	416.58	482.07
Consultancy and legal expenses	254.24	268.22
Directors sitting fees	4.80	6.70
Directors remuneration	979.28	936.72
Miscellaneous expenses	493.06	606.46
MAEQ Expenses	0.68	-
CSR expenditure	81.33	86.85
Loss on sale/discard of property, plant and equipment	41.25	158.39
Transfer to storage fund for molasses	2.90	2.84
Provision for doubtful debts and advances	7.71	4.45
Balances written off	2.67	7.28
Fair valuation of financial instrument	292.34	254.70
Other expenses*	40.58	27.43
Total	9,695.88	10,880.51

* Measurement of Guarantee expenses

Notes forming part of Standalone Financial Statement

Note 36 : Tax Reconciliation

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2026 and 31st March, 2025 are as follows:

(i) Profit or loss section

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax expense	1,760.92	1,328.51
Tax expense of earlier years	11.26	25.81
Deferred tax expense	141.77	17.62
Total	1,913.95	1,336.72

(ii) OCI Section

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Net gain/(loss) on remeasurement of defined benefit plans	(15.60)	(18.91)
Unrealised gain/(loss) on FVTOCI equity securities	0.62	0.14
Income tax charged to OCI	3.80	4.73
Total	(11.18)	(14.04)

Reconciliation of tax expense

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax	1,760.92	1,328.51
Tax expense of earlier years	11.26	25.81
Deferred tax	141.77	(17.60)
Total	1,913.95	1,336.72
Accounting profit before tax from continuing operations	7,256.33	4,891.81
Applicable tax rate (using Company's tax rate)	25.168%	25.168%
Computed tax expense (A)	1,826.27	1,231.17
Expenses not allowable for tax purpose	(149.54)	55.36
Effect of tax deduction	(46.13)	(51.23)
Changes in recognized deductible temporary differences	272.09	75.61
Tax expense of earlier years	11.26	25.81
Net adjustment (B)	87.68	105.55
Tax expense (A+B)	1,913.95	1,336.72

Notes forming part of Standalone Financial Statement

(Rs. in lakhs)

Particulars	As at 31st March, 2024	Provided during the year	As at 31st March, 2025	Provided during the year	As at 31st March, 2026
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	1,082.06	23.89	1,105.95	213.57	1,319.52
Total deferred tax liability (A)	1,082.06	23.89	1,105.95	213.57	1,319.52
Deferred tax assets:					
Expenses allowable on payment basis	98.66	8.53	107.19	1.73	108.92
Other Ind AS adjustments related to Financial Asset/Liabilities (Net)	201.39	37.70	239.09	73.87	312.96
Total deferred tax assets (B)	300.05	46.23	346.28	75.60	421.88
Deferred Tax Liability / (Asset) (Net) (A - B)	782.01	(22.34)	759.67	137.97	897.64

37.1 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.

The Company got converted INR term loan in foreign currency during the current financial year for a period of 180 days with hedging of the repayments.

Foreign currency risk	31st March, 2026		31st March, 2025	
	In USD	Rs. in lakhs	In USD	Rs. in lakhs
Outstanding Balance from customers	NIL	NIL	NIL	NIL
Outstanding Balance of term loan	NIL	NIL	21,04,941	1784.74

(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.

Notes forming part of Standalone Financial Statement

(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 wellintegrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

Credit risk

Credit risk is the risk that counterparty 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, 2026	As at 31st March, 2025
Upto 6 months	1,246.71	831.29
6 to 12 Months	0.04	0.01
More than 12 months	25.45	23.72

The management has made provision for expected credit loss amounting to Rs.23.78 lakhs (Rs.16.01 lakhs) and management is of view that although certain amounts are beyond credit period but they are in fact recoverable and will be received in due course so balance amount is not liable to expected credit loss.

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

(Rs. in lakhs)

Particulars	Amount
Balance as at 01st April, 2025	16.01
Provided during the year	7.77
Reversed during the year	-
Balance as at 31st March, 2026	23.78
Balance as at 01st April, 2024	15.94
Provided during the year	0.07
Reversed during the year	-
Balance as at 31st March, 2025	16.01

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

Notes forming part of Standalone Financial Statement

at all times and any place in the world to enable us to meet our payment obligations. The Company is maintaining cash credit limit to a reasonable level to meet out the current obligation.

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

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

(Rs. in lakhs)

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2026				
Term loans	675.88	353.51	-	1,029.19
Loans repayable on demand	23,945.28	-	-	23,945.28
Trade and other payables	7,490.49	-	-	7,490.49
Other financial liabilities	1,404.17	18.24	-	1,422.41
Total	33,515.82	371.55	-	33,887.37

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2025				
Term loans	1,940.57	1,908.61	-	3,849.18
Loans repayable on demand	24,336.06	-	-	24,336.06
Trade and other payables	8,191.82	-	-	8,191.82
Other financial liabilities	1,138.80	33.08	-	1,171.88
Total	35,607.25	1,941.69	-	37,548.94

37.2 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, 2026 and 31st March, 2025:

(Rs. in lakhs)

Description	Year ended 31 March, 2026	Year ended 31 March, 2025
Borrowings	24,974.47	28,185.24
Other financial liabilities	1,422.41	1,171.88
Trade and other payables	7,490.49	8,191.82
Less: Cash and cash equivalents	145.70	384.17
Net debts	33,741.67	37,164.77
Equity share capital	1,840.00	1,840.00
Other equity	37,348.19	32,019.08
Total equity	39,188.19	33,859.08
Total equity and net debt	72,929.86	71,023.85
Gearing ratio (%)	46.27	52.33

(ii) No dividend has been recommended for the financial year ended 31st March, 2026..

37.3 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, 2026	31st March, 2025
Profit attributable to equity shareholders of the Company:	5,342.38	3,555.09
Profit attributable to equity shareholders for basic earnings	5,342.38	3,555.09
Profit attributable to equity shareholders adjusted for dilution effect	5,342.38	3,555.09
Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted)	9,20,00,170	9,20,00,170
Earnings Per Share (Basic & Diluted)	5.81	3.86

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, 2026 31st March, 2025

Employers' contribution to provident fund

Rs.124.16 lakhs

Rs.121.44 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, 2026(Funded)	Gratuity Year ended 31st March, 2025 (Funded)	Leave Encashment Year ended 31st March, 2026 (Non funded)	Leave Encashment Year ended 31st March, 2025(Non funded)
I. Expenses recognized in the Statement of Profit and Loss				
Current service cost	35.37	36.98	15.74	18.12
Interest cost	25.34	24.93	4.92	4.34
Past service cost	-	-	-	-
Expected return on plan assets	(21.86)	(19.61)	-	-
Net expenses recognized in Statement of Profit and Loss	38.85	42.30	20.66	22.46
II. Other comprehensive (income)/expenses (Re-measurement)				
Accumulated (gain)/loss opening balance	20.19	27.29	181.80	155.79
Actuarial (gain)/loss – obligation	(23.45)	(0.31)	21.68	26.01
Actuarial (gain)/loss – plan assets	17.37	(6.79)	-	-
Total Actuarial (gain)/loss	(6.08)	(7.10)	21.68	26.01
Actuarial (gain)/loss at the end of the period	14.11	20.19	203.48	181.80
III. Net liability/(assets) recognized in the balance sheet				
Present value of obligations at the end of period	369.33	375.35	69.99	72.87
Fair value of the plan assets at the end of period	290.66	312.20	-	-
Funded status surplus/(deficit)	(78.67)	(63.15)	(69.99)	(72.87)
Net liability/(asset) as at year end	78.67	63.15	69.99	72.87
IV. Changes in present value of obligations during the year				
Present value of obligation at the beginning of the year	375.35	343.83	72.87	59.89
Current service cost	35.37	36.98	15.74	18.12
Interest cost	25.34	24.93	4.92	4.34
Past service cost	-	-	-	-
Benefits paid if any	(43.29)	(30.08)	(45.22)	(35.49)
Actuarial loss/ (gain)	(23.44)	(0.31)	21.68	26.01
Present value of obligation at the year end	369.33	375.35	69.99	72.87
V. Changes in fair value of plan assets				
Fair value of plan assets at the beginning of period	312.21	290.50	-	-
Expected return on plan assets	21.85	19.61	-	-
Contributions	17.25	25.39	-	-
Benefits paid	(43.29)	(30.08)	-	-
Actuarial Gain/(Loss) on plan assets	(17.36)	6.79	-	-
Fair value of plan assets at the year end	290.66	312.21	-	-

Notes forming part of Standalone Financial Statement

Description	Gratuity Year ended 31st March, 2026(Funded)	Gratuity Year ended 31st March, 2025 (Funded)	Leave Encashment Year ended 31st March, 2026 (Non funded)	Leave Encashment Year ended 31st March, 2025(Non funded)
VI. Maturity profile of defined benefit obligation				
Within in next 12 months	41.60	27.01	30.90	29.48
Between 2 and 5 years	156.08	159.96	39.09	43.39
5 years and above	171.65	188.38	-	-
Total expected payments	369.33	375.35	69.99	72.87
Weighted average duration (based on discounted cash flow) in years	8	8	-	-
Details of plan asset	Gratuity Trust	Gratuity Trust	N/A	N/A
SBI Life Kalyan ULIP Plus (V03)	260.44	257.75	-	-
Bank Balance and Others	30.22	54.46	-	-

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

Particulars	As at 31st March, 2026	As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Present value of Defined Benefit Obligation	369.33	375.35	343.83	317.20	279.48
Fair value of Plan Assets	290.66	312.21	290.50	245.65	256.73

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

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

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

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

Actuarial Assumption

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Current Year	Previous Year	Current Year	Previous Year
Discount rate (per annum)	7.00%	6.75%	7.00%	6.75%
Future salary increase(per an-num)	5.00%	5.00%	5.00%	5.00%
Retirement/Superannuation Age (Year)	60	60	60	60
Expected rate of return on plan assets	0%	0%	0%	0%
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14

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

Notes forming part of Standalone Financial Statement

Gratuity

Period	As at 31st March, 2026
Defined Benefit Obligation (Base)	369.33 lakhs @ Salary Increase Rate : 5%, and discount rate :7.00%
Liability with x% increase in Discount Rate	3,45,13,164; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	3,97,14,079; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	3,97,41,728; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	3,44,47,869; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	3,72,22,672; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	3,66,62,054; 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, 2026
Defined Benefit Obligation (Base)	69.99 lakhs
Liability with x% increase in Discount Rate	66.17 lakhs; x=1% [Change (6)%]
Liability with x% decrease in Discount Rate	74.58 lakhs; x=1% [Change 7%]
Liability with x% increase in Salary Growth Rate	74.63 lakhs; x=1% [Change 7%]
Liability with x% decrease in Salary Growth Rate	66.03 lakhs; x=1% [Change (6)%]
Liability with x% increase in Withdrawal Rate	70.76 lakhs; x=1% [Change 1%]
Liability with x% decrease in Withdrawal Rate	69.25 lakhs; x=1% [Change (1)%]

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

Contingent liabilities:

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under Labour laws	73.24	81.24
(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 and State Government and oil manufacturing companies	125.13	120.45
(iv) Corporate guarantee given by the Company for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks)	6174.21	6866.14
(v) Income Tax cases under appeal	690.73	690.73
(vi) Penalty levied by Commissioner Excise, UP	19.39	19.39
(vii) Penalty levied by Competition Commission of India and Commissioner Excise, UP	19.39	19.39

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, 2026	As at 31st March, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	538.08	1,442.29
Less: Advances paid against above	36.97	239.90
Net Amount	501.12	1,202.39

37.6 Leases

Company as lessee

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.3.72 lakhs (previous year Rs.6.62 lakhs).

37.7 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, 2026

(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	106.57	6.06	112.63
	Interest due on above	2.79	-	2.79
(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.	2.79	-	2.79
(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, 2025

(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	143.71	27.18	170.89
	Interest due on above	4.48	-	4.48
(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.	4.48	-	4.48
(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	-	-	-

37.8 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. Aggarwala -Executive Director
- Ms. Ritika Tandon** -Company Secretary
- 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
- Mrs. Archana Agrawal\$ -Independent Director
- Shri Narendra Mohan^ -Independent Director

Notes forming part of Standalone 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.
 - Concept Consulting
 - Francoise Commerce Pvt. Ltd.
 - H H Foundation
 - Indian Sugar Exim Corporation Ltd.
 - KM 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.
 - Promising Logistics 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 2025-26 (2024-25)	Key Managerial Personnel (KMP) 2025-26 (2024-25)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2025-26(2024-25)	Total 2025-26 (2024-25)
i.	Investment made				
	Sonar Casting Ltd.	- (-)	- (-)	175.00(375.00)	175.00 (375.00)
	K M Vyapar Ltd.	- (-)	- (-)	400.00 (-)	400.00 (-)
ii.	Remuneration including commission and PF#				
	Shri L. K. Jhunjhunwala*	- (-)	200.97(333.60)	- (-)	200.97(333.60)
	Shri Aditya Jhunjhunwala	- (-)	529.69(356.10)	- (-)	529.69(356.10)
	Shri Sanjay Jhunjhunwala	- (-)	201.60(199.67)	- (-)	201.60(199.67)
	Shri S. C. Aggarwala	- (-)	64.66(60.88)	- (-)	64.66(60.88)
	Shri Vatsal Jhunjhunwala	- (-)	- (-)	30.00(25.33)	30.00(25.33)
	Ms. Palak Jhunjhunwala	- (-)	- (-)	4.80(4.80)	4.80(4.80)
	Shri Arvind Kumar Gupta	- (-)	26.06(23.53)	- (-)	26.06(23.53)
	Ms. Ritika Tandon**	- (-)	11.11(-)	- (-)	11.11(-)
	Ms. Pooja Dua***	- (-)	1.31 (7.72)	- (-)	1.31 (7.72)
iii.	Education fee paid				
	Ms. Palak Jhunjhunwala	- (-)	- (-)	104.70 (78.21)	104.70 (78.21)
iv.	Rent paid				
	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.	- (-)	- (-)	150.00 (154.02)	150.00 (154.02)

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)
	Commission/fee paid				
	K M Vyapar Ltd.	- (-)	- (-)	93.84(51.96)	93.84(51.96)
	Concept Consulting	- (-)	- (-)	20.00 (-)	20.00 (-)
v.	Purchase of goods				
	Brahma Properties Pvt. Ltd.	- (-)	- (-)	243.21 (189.73)	243.21 (189.73)
	K M Particle Boards Pvt. Ltd.	- (-)	- (-)	-(1.80)	-(1.80)
vi.	Loans given				
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	- (750.00)	- (750.00)
	Sonar Casting Ltd.	- (-)	- (-)	1825.00 (325.00)	1825.00 (325.00)
vii.	Loans received back				
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	550.00(1070.00)	550.00 (1070.00)
	Sonar Casting Ltd.	- (-)	- (-)	1175.00 (325.00)	1175.00 (325.00)
viii.	Sitting fees paid				
	Smt. Madhu Mathur#	- (-)	- (0.70)	- (-)	- (0.70)
	Shri S. K. Gupta#	- (-)	- (0.75)	- (-)	- (0.75)
	Shri Bibhash Kumar Srivastava	- (-)	1.00 (1.20)	- (-)	1.00 (1.20)
	Shri Sushil Solomon	- (-)	1.40 (1.35)	- (-)	1.40 (1.35)
	Dr. Bakshi Ram	- (-)	0.55 (1.35)	- (-)	0.55 (1.35)
	Mrs. Archana Agrawal \$	- (-)	1.05 (0.75)	- (-)	1.05 (0.75)
	Shri Narendra Mohan ^	- (-)	0.80 (0.60)	- (-)	0.80 (0.60)
ix.	Hospital Services taken				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	33.00 (-)	33.00 (-)
x.	MAEQ export quota sale charges received				
	Indian Sugar Exim Corporation Ltd.	- (-)	- (-)	42.53 (-)	42.53 (-)
xi.	Sale of goods				
	K M Particle Boards Pvt. Ltd.	- (-)	- (-)	1830.63 (1786.00)	1830.63 (1786.00)
	Francoise Commerce Pvt. Ltd.	- (-)	- (-)	6555.00 (4285.00)	6555.00 (4285.00)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	677.90 (-)	677.90 (-)
	Sri Shakti Credits Ltd.	- (-)	- (-)	832.38 (-)	832.38 (-)
	Sonar Casting Ltd.	- (-)	- (-)	63.41 (-)	63.41 (-)
xii.	CSR paid				
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	11.00 (-)	11.00 (-)
	H H Foundation	- (-)	- (-)	10.00(20.00)	10.00 (20.00)
xiii.	Corporate guarantee charges received				
	Sonar Casting Ltd.	- (-)	- (-)	0.05 (0.05)	0.05 (0.05)
xiv.	Lease land rent received				
	K M Particle Boards Pvt. Ltd.	- (-)	- (-)	0.30 (0.60)	0.30 (0.60)

Notes forming part of Standalone Financial Statement

xv.	Preference share redemption received				
	K.M Energy Pvt. Limited	- (-)	- (-)	- (338.92)	- (338.92)
xvi.	Sale of held Preference share				
	Promising Logistics Pvt. Ltd.	- (-)	- (-)	- (385.00)	- (385.00)
xvii.	Interest received				
	Sonar Casting Ltd.	- (-)	- (-)	104.94 (97.74)	104.94 (97.74)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	212.44 (231.82)	212.44 (231.82)
xviii.	Balance outstanding				
	a. Amount payable				
	Shri L K Jhunjunwala*	- (-)	17.09 (111.13)	-(-)	17.09 (111.13)
	Shri Aditya Jhunjunwala	- (-)	333.45(76.30)	- (-)	333.45(76.30)
	Shri Sanjay Jhunjunwala	- (-)	79.65(70.92)	- (-)	79.65(70.92)
	Shri S. C. Aggarwala	- (-)	2.67 (2.14)	- (-)	2.67 (2.14)
	Shri Vatsal Jhunjunwala	- (-)	(-)	3.27 (2.05)	3.27 (2.05)
	Ms. Palak Jhunjunwala	- (-)	- (-)	2.80 (0.40)	2.80 (0.40)
	Sri Shakti Credits Ltd.	- (-)	- (-)	-(0.81)	-(0.81)
	K M Vyapar Ltd.	- (-)	- (-)	27.93 (14.81)	27.93 (14.81)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (2.28)	1.14 (2.28)
	Brahma Properties Pvt. Ltd.	- (-)	- (-)	90.91 (77.99)	90.91 (77.99)
	Marvel Business Pvt. Ltd.	- (-)	- (-)	3.38(6.05)	3.38(6.05)
	Concept Consulting	- (-)	- (-)	18.00(-)	18.00(-)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	38.87(-)	38.87(-)
	b. Amount receivable				
	Loan				
	Sonar Casting Ltd.	- (-)	- (-)	1525.00 (875.00)	1525.00 (875.00)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (-)	- (550.00)	- (550.00)
	Interest				
	Sonar Casting Ltd.	- (-)	- (-)	- (249.25)	- (249.25)
	Sale of goods				
	K M Particle Boards Pvt. Ltd.	- (-)	- (-)	- (0.51)	- (0.51)
	c. Corporate guarantee given by the company for loan sanctioned/availed by				
	Sonar Casting Limited	-(-)	- (-)	6174.21 (6866.14)	6174.21 (6866.14)
	d . Investment Held (Cost)				
	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)
	Equity share in K M Vyapar Limited			400.00 (-)	400.00 (-)

Notes forming part of Standalone Financial Statement

Equity share in HH Foundation	- (-)	- (-)	0.20 (0.20)	0.20 (0.20)
Preference share in Sonar Casting Limited			5135.00 (4960.00)	5135.00 (4960.00)
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.

* Passed away on 14.03.2026

** Joined from w.e.f. 07.08.2025

*** Left w.e.f. 07.08.2025

Ceased to be director on 21.08.2024 upon completion of tenure

\$ Appointed w.e.f. 21.05.2025

^ Appointed w.e.f. 29.06.2025

#Directors Remuneration

						(Rs. in lakhs)
S. No.	Particulars	Chairman*	Managing Director	Jt. Managing Director	Executive Director	Total
1	Salary	189.84 (180.00)	200.00 (180.00)	180.00 (180.00)	57.00 (54.00)	626.84 (594.00)
2	Commission	- (150.00)	300.00 (150.00)	- (-)	- (-)	300.00 (300.00)
3	Contribution to Provident Fund	- (-)	24.00 (19.50)	21.60 (19.50)	6.84 (6.06)	52.44 (45.06)
4	Perquisites:					
	(i) Residence	-(-)	3.60 (3.60)	- (-)	4.34 (4.11)	7.94 (7.71)
	(ii) Medical reimbursement	11.13 (3.57)	5.69 (6.58)	- (0.18)	0.82 (0.82)	17.64 (11.15)
	(iii) Other benefits	0.79 (0.79)	12.30 (13.13)	0.79 (0.79)	0.62 (0.62)	14.50 (15.33)
	Total	201.76 (334.36)	545.59 (372.81)	202.39 (200.47)	69.62 (65.61)	1019.36 (973.25)

* Paid upto 13.03.2026

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.

Notes forming part of Standalone Financial Statement

37.9 Segment Reporting: Information on the Segment Reporting is as under:

The company 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 IndAS 108 – Operating Segments.

(Rs. in lakhs)				
Particulars	Sugar	Distillery	Unallocable	Total
Gross sales	59,791.95 (59,490.46)	9,377.22 (9,120.75)	- (-)	69,169.17 (68,611.21)
Less: Inter segment sales	3,331.09 (2,710.69)	- (-)	- (-)	3,331.09 (2,710.69)
External sales	56,460.86 (56,779.77)	9,377.22 (9,120.75)	- (-)	65,838.08 (65,900.52)
Add: Other income	1,722.69 (627.47)	227.91 (109.55)	- (-)	1,950.60 (737.02)
Total revenue	58,183.55 (57,407.24)	9,605.13 (9,230.30)	- (-)	67,788.68 (66,637.54)
Segment results	8,047.22 (6,485.79)	379.28 (222.56)	- (-)	8,426.50 (6,708.35)
Less: Finance cost	1,112.66 (1,791.48)	57.51 (25.06)	- (-)	1,170.17 (1,816.54)
Profit before tax	6,934.56 (4,694.31)	321.77 (197.50)	- (-)	7,256.33 (4,891.81)
Current tax				1,772.18 (1,354.32)
Deferred tax				141.77 (-17.60)
Profit after tax				5,342.38 (3,555.09)
Other information				
Segment assets	65,724.50 (64,629.06)	9,249.94 (8,359.32)	- (-)	74,974.44 (72,988.38)
Segment liabilities	32,738.78 (36,389.19)	2,149.84 (1,980.44)	897.63 (759.67)	35,786.25 (39,129.30)
Capital Expenditure	3,485.64 (841.07)	1,705.06 (696.15)	- (-)	5,190.70 (1,537.22)
Depreciation and amortisation	1,606.65 (1,629.99)	594.29 (566.76)	- (-)	2,200.94 (2,196.75)

*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.

Notes forming part of Standalone Financial Statement

37.10 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, 2026	As at 31st March, 2025	As at 31st March, 2026	As at 31st March, 2025
Financial assets				
FVOCI financial instruments:				
Unquoted equity shares	405.86	5.23	405.86	5.23
Fair Value through Statement of Profit & Loss				
Investment in Preference Shares	4,591.98	4,709.33	4,591.98	4,709.33
Investment in OFCD	2,350.00	2,350.00	2,350.00	2,350.00
Corporate guarantee	33.08	51.44	33.08	51.44
Fair value of assets through Other Comprehensive Income				
Free hold Land	2,930.15	951.05	2,930.15	951.05
Total	10,311.07	8,067.05	10,311.07	8,067.05

(Rs. in lakhs)

Description	Carrying value		Fair Value	
	As at 31st March, 2026	As at 31st March, 2025	As at 31st March, 2026	As at 31st March, 2025
Financial liabilities at amortized cost through statement of profit and loss				
Loan taken from Bank, Government and others				
Fixed rate borrowings	-	-	-	-
Floating rate borrowings	1,029.19	3,849.19	1,029.19	3,849.18
Total	1,029.19	3,849.19	1,029.19	3,849.18

Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2026:

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, 2026	-	-	Yes
Preference Share	31st March, 2026	-	-	Yes

Notes forming part of Standalone Financial Statement

37.11 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
Revenue related to Government Grant			
Financial Assistance from the State Government	Nil	2024-25	Nil
Deferred Government Grant			
Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant)	Nil	2024-25	A sum of Rs.29.48 lakhs considered for part of the year as government grant under Note-28. Deferred In-come considered as Government grant over the period of 5 years be-ing 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, 2026	Year ended March 31, 2025
a)	Average net profits of the Company as per Section 135(5)	4,056.05	4,250.49
b)	Two percent of the average net profits of the Company as per Section 135(5)	81.12	85.01
c)	Amount approved by the Board for CSR during the Year	81.33	86.85
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	81.33	86.85
f)	Total CSR obligation for the financial year [(c)+(d)-(e)]	Nil	Nil

B. Statement of CSR Expenditure

(Rs. In lakhs)

Sl. no.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)		
	- For contribution in hospital construction and asset	11.00	-
	- For rural development etc.	0.13	2.35
	- Preventive health care and sanitation	20.00	20.00
	- For contribution towards schools to promote education	4.50	9.50
	Total	35.63	31.85
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)]	35.63	31.85
e)	Total CSR obligation for the financial year	Nil	Nil
f)	Excess CSR Expenditure available for Carry Forward	35.50	31.50

Notes forming part of Standalone Financial Statement

C. Statement of Carry Forward

(Rs. In lakhs)

Sl. no.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
a)	Excess CSR Expenditure carried forward	70.00	129.05	31.50	35.50
b)	Set off during the Financial year 2024-25	66.55	Nil	Nil	Nil
c)	Set off during the Financial year 2025-26	3.45	77.75	Nil	Nil
d)	Balance to be Carried Forward	Nil	*51.30	#31.50	^35.50
e)	Total amount Carried Forwarded				118.30

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

#available for set off till the financial year 2027-28

^available for set off till the financial year 2028-29

37.13 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, 2025 shown under Note 17 of "Other equity".

37.14 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.

37.15 Other non-current liabilities (Note No.20) 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.

37.16 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 on building due to obsolescence has been provided in earlier years and the written down value as on 31st March, 2026 is Rs.0.37 lakhs.

37.17 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.

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

37.19 The management is of the view that dividend payment is most probable to receive from the investments in the 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 the investment. However, no dividend received on the investment since amount invested.

37.20 The Central Government pursuant to Notification No. 1(4)/2025-SP dated 14th November, 2025 and Notification No. 1(1)/2025-SP dated 20th January, 2025 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 2024-25 and 2025-26 respectively 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 another sugar mill. The amount received on sale of export quota of Rs.49.32 lakhs (Previous year Rs.253.68 lakhs) has been shown as line item "Export quota sale" under Revenue from operations.

Notes forming part of Standalone Financial Statement

37.21 Imported and Indigenous Raw Materials, Packing Materials and Stores and Spares consumed

(Rs. In lakhs)

Description	31st March, 2026		31st March, 2025	
	% of total consumption	Amount	% of total consumption	Amount
Raw Materials				
Imported	-	-	-	-
Indigenous	100%	46,411.05	100%	42,936.52
Stores and packing material				
Imported	-	-	-	-
Indigenous	100%	2,344.58	100%	2,787.94

37.22 Income in foreign currency on account of:

(Rs. in lakhs)

Description	As at 31st March, 2026	As at 31st March, 2025
Export sale	-	-

37.23 Expenditure in foreign currency on account of:

(Rs. in lakhs)

Description	As at 31st March, 2026	As at 31st March, 2025
Travelling	28.37	138.80
Others	114.60	85.79

37.24 The company has lease hold land from U P Government and out of which 3-hectare land was 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.

37.25 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, 2026	Year ended 31st March, 2025
Gain/(loss) on equity instruments	0.50	0.11
Re-measurement gain/(loss) on defined benefit plans	(11.67)	(14.15)
Total	(11.17)	(14.04)

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

For the year ended 31st March, 2026

(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	921.11	-	-	-	921.11
Building work	21.45	71.42	263.39	84.96	441.22
Building work temporarily suspended*	4.66	-	-	10.08	14.74
Total	947.22	71.42	263.39	95.04	1,377.07

*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

For the year ended 31st March, 2025

(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	-	-	-	-	-
Building work*	71.42	263.39	399.18	4.54	738.53
Building work temporarily suspended*	-	-	-	10.08	10.08
Total	71.42	263.39	399.18	14.62	748.61

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

37.27 Trade receivable ageing schedule

For the year ended 31st March, 2026

(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	175.03	638.23	433.45	-	-	1.71	-	1,248.42
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit Impaired	-	-	-	0.04	0.02	4.98	2.83	7.87
Disputed Trade receivables - credit Impaired	-	-	-	-	-	-	15.91	15.91
Total	175.03	638.23	433.45	0.04	0.02	6.69	18.74	1272.20

* Represents bills for the month of March 2026 which were subsequently billed in the following month.

Notes forming part of Standalone Financial Statement

For the year ended 31st March, 2025

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	135.70	362.04	333.54	0.01	4.91	1.86	0.95	839.01
Undisputed Trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired		-	-	-	0.07	-	0.03	0.10
Disputed Trade receivables - credit impaired		-	-	-	-	-	15.91	15.91
Total	135.70	362.04	333.54	0.01	4.98	1.86	16.89	855.02

* Represents bills for the month of March 2025 which were subsequently billed in the following month.

37.28 Trade payable ageing schedule

For the year ended 31st March, 2026

(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	84.39	11.68	-	-	-	96.07
Others	419.98	6,840.86	17.44	37.07	11.12	7,326.47
Disputed dues-MSME	-	12.20	0.52	-	0.57	13.29
Disputed dues-Others	-	-	-	-	8.10	8.10
Total	504.37	6,864.74	17.96	37.07	19.79	7,443.93

For the year ended 31st March, 2025

(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	6.55	119.27	-	-	-	125.82
Others	-	7,865.01	64.98	13.63	16.36	7,959.98
Disputed dues-MSME	-	21.80	-	-	0.57	22.37
Disputed dues-Others	-	-	-	-	8.10	8.10
Total	6.55	8,006.08	64.98	13.63	25.03	8,116.27

Notes forming part of Standalone Financial Statement

37.29 Details of shares held by promoter and promoter group of the Company

Equity Shares held by promoters as at 31st March, 2026 and 31st March, 2025

Promoter Name	31st March, 2026			31st March, 2025		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Promoters						
Lakshmi Kant Jhunjhunwala	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 Jhunjhunwala	52,89,242	5.75%	-	52,89,242	5.75%	-
Sanjay Jhunjhunwala	24,94,600	2.71%	-	24,94,600	2.71%	-
Promoter group						
Naina Jhunjhunwala	41,80,748	4.54%	-	41,80,748	4.54%	-
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	.	.
K M Vyapar Ltd.	22,83,364	2.48%	-	22,83,364	2.48%	-

37.30 Loans to promoter, director and related parties etc.

For the year ended 31st March, 2026

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter/director	-	-
Loan to KMPs	-	-
Loan to related party	1,525.00	100%

For the year ended 31st March, 2025

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter/director	-	-
Loan to KMPs	-	-
Loan to related party	1,674.25	100%

Notes forming part of Standalone Financial Statement

37.32 Financial ratios

The following are analytical ratios for the year ended 31st March, 2026 and 31st March, 2025

Particulars	Numerator	Denominator	31st March, 2026	31st March, 2025	Change
Current Ratio	Current assets	Current liabilities	1.21	1.12	8.04%
Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.64	0.83	-22.89%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Note 2)	4.72	2.04	131.37%*
Return on Equity Ratio	Profit for the year	Average Total Equity	14.63	11.08	32.04%^
Inventory turnover ratio	Revenue from Operations	Average Inventory	1.79	1.80	-0.56%
Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	63.08	34.94	-80.54%**
Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	6.26	3.93	59.29%\$
Net capital turnover ratio	Revenue from Operations	Working Capital	9.17	15.78	-41.98%#
Net profit ratio	Profit for the year	Revenue from Operations	8.11%	5.39%	272bps^
Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	20.96%	17.79%	317bps
Return on investment	Profit for the year	Average Total Assets	7.22%	4.71%	251bps^

* Repayment of term loans

^ Increase in net profit with increased margin

**Early realization of trade receivables

\$Early payment of trade payables

#Turnover increase is not significant but working capital has improved with increase in profit

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

37.32 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, 2026

(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, 2025	26,505.41	24,840.70	1,664.71	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, 2025	11,548.66	7,589.80	3,958.86	
December 31, 2025	16,827.68	10,567.52	6,260.16	
March 31, 2026	39,335.47	34,993.68	4,341.79	

Notes forming part of Standalone Financial Statement

For the year ended 31st March, 2025

Quarter ending	Value as per books of accounts	Value as per quarterly statement submitted with lenders	Difference	Reasons for difference
June 30, 2024	31,326.13	30,188.90	1,137.23	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, 2024	18,601.23	17,012.91	1,588.32	
December 31, 2024	21,800.65	16,639.16	5,161.49	
March 31, 2025	37,559.56	37,056.50	503.06	

37.33 Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 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:
 - 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
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 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:
 - 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.
- 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).

37.34 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.

37.35 Figures in brackets pertain to previous year.

37.36 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 : 18th May, 2026

For and on behalf of Board of Directors

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

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Consolidated Financial Statement

INDEPENDENT AUDITOR’S REPORT

To,
The Members of K M Sugar Mills Limited
Report on the Consolidated Financial statement

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, 2026, 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, 2025, 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	Valuation of inventory of sugar: As on March 31, 2026, the Company has inventory of sugar with a carrying value INR -37521.75 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.	We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, and notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole. 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.

2	Contingent Liabilities : 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. 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.	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: - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussed with management regarding any material developments and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; - examining management's judgements and assessments whether provisions are required; - considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote; - reviewing the adequacy and completeness of disclosures;; Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.
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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.5.49 lakhs as at 31st March, 2026 total revenues of Rs.0.30 lakhs and net cash flows amounting to Rs.0.20 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, 2026 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, 2025 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 - 37.5 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, 2025, 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
(FRN: 000226C)

Sanjay K. Rai
Partner

M. No.: 507946

UDIN: 26507946BSUWWW5806

Place: Lucknow

Date: 18.05.2026

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, 2026 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 2026 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
(FRN: 000226C)

Sanjay K. Rai
Partner

M. No.: 507946

UDIN: 26507946BSUWWW5806

Place: Lucknow

Date: 18.05.2026

Consolidated Balance sheet for the year ended 31st March 2026

(Rs. in lakhs)

Particulars	Notes No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
(1) Non current assets			
(a) Property, plant and equipment	3	18,326.14	15,875.17
(b) Capital work in progress	3A	1,377.07	748.61
(c) Intangible assets	3B	14.85	4.94
(d) Right-of-use-assets	3C	4,387.81	4,627.19
(e) Financial assets			
(i) Investments	4	7,342.84	7,059.56
(ii) Loans	5	1,525.00	1,124.25
(iii) Other financial assets	6	348.31	973.64
(f) Non current tax assets (net)	7	409.56	334.96
(g) Other non current assets	8	85.02	2,145.23
Total non current assets		33,816.60	32,893.55
(2) Current assets			
(a) Inventories	9	38,087.05	36,720.55
(b) Financial assets			
(i) Investments	10	218.85	296.00
(ii) Trade and other receivables	11	1,248.42	839.01
(iii) Cash and cash equivalents	12	145.88	384.97
(iv) Bank balances other than cash and cash equivalents	12A	506.32	460.18
(v) Loans	13	-	550.00
(vi) Other financial assets	14	35.19	2.33
(c) Other current assets	15	916.51	842.24
Total current assets		41,158.22	40,095.28
Total assets		74,974.82	72,988.83
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	1,840.00	1,840.00
(b) Other equity	17	37,348.50	32,019.39
Total equity		39,188.50	33,859.39
LIABILITIES			
(1) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	353.31	1,908.61
(ii) Other financial liabilities	19	18.24	33.08
(b) Other non current liabilities	20	14.50	14.50
(c) Deferred tax liabilities (net)	21	897.64	759.67
(d) Provisions	22	525.95	495.24
Total non current liabilities		1,809.64	3,211.10
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	24,621.16	26,276.63
(ii) Trade and other payables	24	7,490.55	8,191.96
(iii) Other financial liabilities	25	1,404.17	1,138.80
(b) Other current liabilities	26	397.13	218.33
(c) Provisions	22	63.67	92.62
Total current liabilities		33,976.68	35,918.34
Total equity and liabilities		74,974.82	72,988.83
Corporate Information	1		

Significant Accounting Policies and accompanying notes 2 to 37 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. Aggarwala
Executive Director
(DIN-02461954)

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

A. K. Gupta
Chief Financial Officer

Ritika Tandon
Company Secretary

Place : Lucknow
Date : 18th May, 2026

Consolidated statement of profit and loss for the year ended 31st March 2026

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
I Revenue From Operations	27	65,838.08	65,900.52
II Other Income	28	1,950.92	737.32
III Total Income (I+II)		67,789.00	66,637.84
IV EXPENSES			
Cost of materials consumed	29	46,411.05	42,936.52
Purchase of stock in trade	30	78.51	48.37
Changes in inventories of finished goods, by-products and work-in-progress	31	(1,499.33)	1,668.54
Employee benefit expenses	32	2,475.13	2,198.50
Finance costs	33	1,170.18	1,816.55
Depreciation and amortisation expenses	34	2,200.94	2,196.75
Other expenses	35	9,696.16	10,880.61
Total expenses		60,532.64	61,745.84
V Profit/(loss) before exceptional items and tax (III-IV)		7,256.36	4,892.00
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		7,256.36	4,892.00
VIII Tax expenses :	36		
Current tax		1,760.93	1,328.55
Tax expense of earlier year		11.27	25.82
Deferred tax		141.77	(17.60)
		1,913.97	1,336.77
IX Profit (Loss) for the period (VII-VIII)		5,342.39	3,555.23
X Other Comprehensive Income :			
(i) Items that will not be reclassified to profit and loss :			
Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation		(15.60)	(18.91)
Gain / (Loss) arising on fair valuation of equity instruments		0.62	0.14
(ii) Income tax relating to items that will not be reclassified to profit and loss		3.80	4.73
		(11.18)	(14.04)
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		5,331.21	3,541.19
XII Earnings per equity share (Equity share of Rs. 2/- each)			
(1) Basic		5.81	3.86
(2) Diluted		5.81	3.86

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 37 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. Aggarwala
Executive Director
(DIN-02461954)

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

A. K. Gupta
Chief Financial Officer

Ritika Tandon
Company Secretary

Place : Lucknow
Date : 18th May, 2026

Consolidated Statement of Cash Flows for the year ended 31st March, 2026

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2026		As at 31st March, 2025	
A.	Cash flow from operating activities				
	Profit/(loss) before tax		7256.36		4892.00
	<i>Adjustment to reconcile profit before tax to net cash flow provided by operating activities:</i>				
	Depreciation and amortisation expense	2,200.94		2,196.75	
	Finance costs	1,170.18		1,816.54	
	Transfer to storage fund for molasses	2.90		2.84	
	Provision/(reversal) of doubtful debts	7.71		4.45	
	Balances written off	2.67		7.28	
	Interest Income	(598.23)		(389.72)	
	Government Grant	-		(29.48)	
	Storage fund for molasses written back	(5.00)		(5.98)	
	Fair valuation on investment and others	285.52		181.81	
	Loss/(Profit) on sale of property, plant and equipments	(205.48)		147.17	
	Unspent liabilities/balances written back	(3.78)		(13.66)	
	Other measurement income	(32.11)		(30.95)	
	Other measurement expenses	40.58		27.43	
	Remeasurement of defined benefit obligation	(15.60)	2,850.30	(18.91)	3,895.57
	Operating Profit before working capital changes		10,106.66		8,787.57
	<i>Adjustment to reconcile operating profit to cash flow provided by change in working capital</i>				
	(Increase)/Decrease in trade and other receivables	(409.41)		2,094.26	
	(Increase) / Decrease in inventories	(1,366.50)		1,678.38	
	(Increase) / Decrease in Non current Assets	2,019.63		(186.43)	
	(Increase) / Decrease in Current Assets	(84.65)		120.58	
	(Increase) / Decrease in Non current Financial Assets	224.58		(349.85)	
	(Increase) / Decrease in Current Financial Assets	475.27		(50.82)	
	Increase / (Decrease) in trade payables & Others	(701.41)		(7,255.26)	
	Increase / (Decrease) in non current liabilities	-		-	
	Increase / (Decrease) in current liabilities	182.58		(252.02)	
	Increase / (Decrease) in Other Non current Financial Liabilities	(14.84)		(18.36)	
	Increase / (Decrease) in Other current Financial Liabilities	273.90		64.17	
	Increase / (Decrease) in Non Current Provisions	30.71		6.22	
	Increase / (Decrease) in Current Provisions	(28.95)	600.91	16.57	(4,132.56)
	Cash generated from operations		10,707.57		4,655.01
	Tax expense		(1,846.81)		(1,521.70)
	Net cash generated from operating activities (A)		8,860.76		3,133.31

Consolidated Statement of Cash Flows for the year ended 31st March, 2026

(Rs. in lakhs)

S.No.	Particulars	As at 31st March, 2026		As at 31st March, 2025	
B.	Cash Flow from investing activities				
	Addition to property, plant and equipment (including capital work in progress) (Net)	(5,186.11)		(1,537.22)	
	Proceed from Sale of property, plant and equipment	340.69		41.51	
	Investment in equity and other (Net)	(491.01)		348.92	
	Interest income received	626.06		424.74	
	Net cash used in investing activities (B)		(4,710.37)		(722.05)
C.	Cash flow from financing activities				
	Proceed/(Repayments) of long term borrowings	(2,819.99)		(1,152.06)	
	Proceeds/(Repayments) of short term borrowings	(390.78)		224.76	
	Finance cost paid	(1,178.71)		(1,826.20)	680.61
	Net cash from financing activities (C)		(4,389.48)		(2,753.50)
	Net increase in cash & cash equivalents (A+B+C)		(239.09)		(342.24)
D.	Opening cash and cash equivalents		384.97		727.21
E.	Closing cash and cash equivalents for the purpose of cash flow statement (Refer Note No.12)		145.88		384.97
	Increase in cash & cash equivalents (D-E)		(239.09)		(342.24)

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	13.96	5.19
Cheque on hand	0.06	308.00
Balances with Banks	131.86	71.78
Supplementary Information	145.88	384.97

- 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 : 18th May, 2026

For and on behalf of Board of Directors

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

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Consolidated Statement of change in equity for the year ended 31st March, 2026

(a) Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2026	Change during the year	As at 31st March, 2025	Change during the year	As at 31st March, 2024
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, 2024	1,179.90	30.58	12.40	2,688.01	18,712.40	6,068.08	(88.55)	(121.48)	28,481.34
Profit for the period	-	-	-	-	3,555.23	-	-	-	3,555.23
Other Comprehensive Income	-	-	-	-	-	-	0.11	(14.15)	(14.04)
Transfer to Molasses Fund	-	2.84	-	-	-	-	-	-	2.84
Storage fund of molasses w/back	-	(5.98)	-	-	-	-	-	-	(5.98)
Transfer to retained earning	-	-	-	-	1,433.10	(1,433.10)	-	-	-
Transfer to General Reserve	8,820.10	-	-	-	(8,820.10)	-	-	-	-
As at 31st March, 2025	10,000.00	27.44	12.40	2,688.01	14,880.63	4,634.98	(88.44)	(135.63)	32,019.39
Profit for the period	-	-	-	-	5,342.39	-	-	-	5,342.39
Other Comprehensive Income	-	-	-	-	-	-	0.50	(11.68)	(11.18)
Total Comprehensive Income	10,000.00	27.44	12.40	2,688.01	20,223.02	4,634.98	(87.94)	(147.31)	37,350.60
Transfer to General Reserve	5,000.00	-	-	-	(5,000.00)	-	-	-	-
Transfer to Molasses Fund	-	2.90	-	-	-	-	-	-	2.90
Storage fund of molasses w/back	-	(5.00)	-	-	-	-	-	-	(5.00)
Transfer to retained earning	-	-	-	-	239.34	(239.34)	-	-	-
As at March 31, 2026	15,000.00	25.34	12.40	2,688.01	15,462.36	4,395.64	(87.94)	(147.31)	37,348.50

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. Aggarwala
Executive Director
(DIN-02461954)

A. K. Gupta
Chief Financial Officer

Aditya Jhunjunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Place : Lucknow
Date : 18th May, 2026

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, 2026.

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 76, Eldeco Greens, Gomtinagar, Lucknow-226010, Uttar Pradesh India.

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

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

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

2.2 Basis of Preparation of Consolidated Financial Statements

a) Basis of Presentation

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

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

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

All assets and liabilities have been classified as current or non-current as per group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw

material and realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Basis of Consolidation

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 through 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.

Following subsidiary company has been considered in the preparation of the consolidated financial statements:

Notes forming part of Consolidated Financial Statement

Name of Entity	Relationship	Country of Incorporation	% of Holding and voting power Directly as at 31 March 2026
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 Group 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,

Notes forming part of Consolidated Financial Statement

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.

- (b) Costs incurred subsequent to initial capitalization are included in the asset's carrying amount only when it is probable that future economic benefits associated therewith will flow to the Company and it can be measured reliably.

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

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

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

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

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

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

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

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

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

The estimated useful lives considered are as follows:

Category	31st March, 2026
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

Notes forming part of Consolidated Financial Statement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

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

Notes forming part of Consolidated Financial Statement

are recognized as an expense as the related service is rendered by employees.

(ii) Post employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

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

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

When the calculation results in a benefit to the Company, the 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

Notes forming part of Consolidated Financial Statement

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

2.15 Foreign Currency Transactions and Translations

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

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

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

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

2.16 Taxes on Income

(a) Current Tax

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

(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.

Notes forming part of Consolidated Financial Statement

- (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.

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

Notes forming part of Consolidated Financial Statement

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.

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 : 18th May, 2026

For and on behalf of Board of Directors

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

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2026

(Rs. in lakhs)

Note 3: Property, Plant and Equipment

Particulars	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Gross Block								
Balance as at 1st April,24	930.78	1,430.75	36,996.93	576.42	1,073.45	171.31	132.75	41,312.39
Additions	20.27	98.98	1,576.09	24.68	225.91	12.62	2.07	1,960.62
Disposal/Deduction	-	-	528.06	1.24	13.30	3.28	-	545.88
Balance as at 31st March,25	951.05	1,529.73	38,044.96	599.86	1,286.06	180.65	134.82	42,727.13
Additions	1,979.10	483.08	1,944.47	20.56	92.47	14.97	11.70	4,546.35
Disposal/Deduction/Adjustment	-	-	1,058.73	-	139.71	-	-	1,198.44
Balance as at 31st March,26	2,930.15	2,012.81	38,930.70	620.42	1,238.82	195.62	146.52	46,075.04
Accumulated depreciation								
Balance as at 1st April,24	-	1,013.62	22,515.94	480.94	967.63	150.96	125.09	25,254.18
Depreciation for the year	-	49.52	1,823.80	26.09	42.67	10.14	2.76	1,954.98
Disposal/Deduction	-	-	340.80	1.21	12.00	3.19	-	357.20
Balance as at 31st March,25	-	1,063.14	23,998.94	505.82	998.30	157.91	127.85	26,851.96
Depreciation for the year	-	72.79	1,742.14	24.88	98.87	12.61	4.28	1,955.57
Disposal/Deduction	-	-	925.77	-	132.86	-	-	1,058.63
Balance as at 31st March,26	-	1,135.93	24,815.31	530.70	964.31	170.52	132.13	27,748.90
Net Carrying Amount								
As at 31st March, 2025	951.05	466.59	14,046.02	94.04	287.76	22.74	6.97	15,875.17
As at 31st March, 2026	2,930.15	876.88	14,115.39	89.72	274.51	25.10	14.39	18,326.14

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
Balance as at 01st April, 2024	1,175.51
Additions	1,156.25
Capitalisation	1,583.15
Balance as at 31st March, 2025	748.61
Additions	2,190.20
Capitalisation	1,561.74
Balance as at 31st March, 2026	1,377.07

Refer note no. 38.26 for ageing

Note 3B Intangible Assets

(Rs. in lakhs)

Description	Amount
Gross carrying amount as at 01st April, 2024	37.46
Additions	3.50
Deductions	-
Balance as at 31st March, 2025	40.96
Additions	15.89
Deductions	-
Balance as at 31st March, 2026	56.85
Gross carrying amount as at 01st April, 2024	33.63
Depreciation for the year	2.39
Balance as at 31st March, 2025	36.02
Depreciation for the year	5.98
Balance as at 31st March, 2026	42.00
Net carrying amount	
As at 31st March, 2025	4.94
As at 31st March, 2026	14.85

Notes forming part of Consolidated Financial Statement

Note 3C Right-of-use-assets

(Rs. in lakhs)

Description	Amount
Gross carrying amount as at 01st April, 2024	6,063.47
Additions	-
Deductions	-
Balance as at 31st March, 2025	6,063.47
Additions	-
Deductions	-
Balance as at 31st March, 2026	6,063.47
Accumulated depreciation as at 01st April, 2024	1,196.90
Depreciation for the year	239.38
Deductions	-
Balance as at 31st March, 2025	1,436.28
Depreciation for the year	239.38
Deductions	-
Balance as at 31st March, 2026	1,675.66
Net carrying amount	
As at 31st March, 2025	4,627.19
As at 31st March, 2026	4,387.81

* Refer note no.37.25

Note 4 Non-current Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Equity Instruments		
Designated at Fair Value through other comprehensive income		
Unquoted		
(a) 1,000 equity shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd.	0.24	0.23
(b) 25,000 equity shares having face value Rs.10 each in K.M Shakar Karkhana Pvt Ltd.	-	-
(c) 2,000 equity shares having face value of Rs. 10 each in HH Foundation	0.62	-
(d) 10,90,000 equity shares having face value of Rs.10 each in Sonar Casting Ltd.	-	-
(e) 22,222 equity shares having face value of Rs. 10 each in Sonar Casting Ltd.	400.00	-
(ii) Preference share (Measured at fair value)		
In 12.50% Non-cumulative redeemable preference shares fully paid up		
5,13,50,000 (4,96,00,000) Preference Shares having face value of Rs.10 each in Sonar Casting Ltd.	4,591.98	4,709.33
(iii) In 8% Optionally fully convertible debenture fully paid up		
Measured at cost		
2,350 (2,350) Optionally fully convertible Debenture with face Value of Rs.1,00,000 each in K M Stratagic Investments & Holdings Pvt. Ltd.	2,350.00	2,350.00
Total	7,342.84	7,059.56
Aggregate carrying value of unquoted investments	7,342.84	7,059.56
Aggregate fair value of unquoted investments	7,342.84	7,059.56

Notes forming part of Consolidated Financial Statement

Note 5 Non-current Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Carried at cost		
Unsecured, considered good		
Loan to a related party	1,525.00	1,124.25
Total	1,525.00	1,124.25

Note 6 Other non-current financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good:		
Security deposits	30.34	40.34
Fixed deposit with banks		
Original maturity more than 12 months	14.50	742.95
Fixed deposit (Earmarked)		
Original maturity more than 12 months *	297.59	175.45
For molasses storage fund maturing after 12 months	2.50	6.50
Interest accrued on fixed deposits with banks	3.38	8.40
Total	348.31	973.64

*Held with banks and Government departments

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

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance Tax	2,088.43	1,583.43
TDS and TCS Receivable	82.06	80.08
	2,170.49	1,663.51
Less:- Provision for Income Tax for current year	1,760.93	1,328.55
Total	409.56	334.96

Note 8 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Unsecured, considered good:				
Capital advances		36.98		2,072.39
Advance to suppliers and others				
Considered Good				
Considered doubtful	43.57		47.23	
Less: Allowance for doubtful advance	43.57	-	47.23	-
Others		2.50		3.01
Prepaid Expenses		45.54		69.83
Total		85.02		2,145.23

Notes forming part of Consolidated Financial Statement

Note 9 Inventories

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(As taken, valued and certified by the Management)		
(a) Finished Goods *		
Sugar	33,197.98	31,628.77
Molasses	1,755.85	1,919.35
Bagasse	1,677.14	1,480.28
Industrial Alcohol	616.21	831.64
Banked Power	210.24	142.48
Others	64.33	19.90
	37,521.75	36,022.42
(b) Stores and spares	565.30	698.13
Total	38,087.05	36,720.55

*Refer Note No. 2.7 for Method of Valuation

Note 10 Current Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Designated at Fair Value through other comprehensive income		
Quoted		
100 (Previous year Nil) equity shares having face value Rs.1 each in Shree Renuka Sugars Limited	0.03	-
Designated at fair value through profit and loss		
Investment in Mutual Fund		
200.00 (Previous year 200.00) units of SBI Balanced Advantage Fund	0.03	0.03
5,06,263.449 (Previous year Nil) units of SBI Savings Fund	218.79	-
Nil (Previous year 6,46,416.306) units of SBI Equity Saving Fund	-	146.86
Nil (Previous year 2,35,441.161) units of HDFC Equity Saving Fund	-	149.11
Total	218.85	296.00

Note 11 Trade and other receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good:		
Trade receivables		
Includes unbilled revenue of Rs.175.03 lakhs (previous year Rs.135.70 Lakhs)	1,248.42	839.01
Credit impaired	23.78	16.01
	1,272.20	855.02
Less:- Allowance for doubtful debts	23.78	16.01
Total	1,248.42	839.01

Refer note no. 37.26 for ageing schedule. Includes receivable Rs.Nil from related party(s) (Previous year Rs.0.51 lakhs)

Notes forming part of Consolidated Financial Statement

Note 12 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with Banks	131.86	71.78
Cheques on Hand	0.06	308.00
Cash on hand*	13.96	5.19
Total	145.88	384.97

*As certified by the management

Note 12A Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed deposit with banks		
Original maturity more than 12 months	389.95	-
Fixed deposits with banks (Earmarked)	-	-
Pledged with bank maturing within 12 months	-	412.47
Pledged with bank for bank guarantee maturing within 12 months*	26.14	11.69
For security with Government authorities maturing within 12 months*	62.92	11.51
For molasses storage fund original maturity period upto 12 months**	26.00	23.20
Unpaid dividend accounts	1.31	1.31
Total	506.32	460.18

*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, 2026	As at 31st March, 2025
Unsecured, considered good		
Loans and advances		
Loan to a related party	-	870.00
Total	-	870.00

Note 14 Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Interest accrued on fixed deposits with banks	35.19	2.33
Total	35.19	2.33

Notes forming part of Consolidated Financial Statement

Note 15 Other current assets

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
Unsecured, considered good unless stated otherwise				
Security Deposit				
Unsecured, considered good	87.90		26.87	
Credit impaired	16.00		16.00	
	103.90		42.87	
Less: Allowance for expected credit loss	16.00	87.90	16.00	26.87
GST and other taxes receivable		163.34		54.13
Advance to employees		24.81		23.20
Advances for supply of goods & services		264.82		204.31
Prepaid Expenses		257.21		266.23
CSR Pre-Spent*		118.30		164.00
Others		0.13		103.50
Total		916.51		842.24

*Refer note no. 37.12

Note 16 Equity Share Capital

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Authorised				
Equity Shares of Rs. 2/- each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Issued, subscribed and fully paid up				
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, 2026		As at 31st March, 2025	
	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, 2026		As at 31st March, 2025	
	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.37.28 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, 2026	As at 31st March, 2025
General Reserve		
Opening balance	10,000.00	1,179.90
Add: Changes during the year	5,000.00	8,820.10
Closing balance	15,000.00	10,000.00
Molasses Storage Fund		
Opening balance	27.44	30.58
Less: Written back during the year	5.00	5.98
Add: Changes during the year	2.90	2.84
Closing balance	25.34	27.44
Sugar Price Equalisation Reserve		
Opening balance	12.40	12.40
Add: Changes during the year	-	-
Closing balance	12.40	12.40
Securities Premium Account		
Opening balance	2,688.01	2,688.01
Add: Changes during the year	-	-
Closing balance	2,688.01	2,688.01
Retained Earnings		
Opening balance	14,880.63	18,712.40
Add: Profit/ Loss during the year	5,342.39	3,555.23
Add: Transfer from Other Comprehensive Income	239.34	1,433.10
Less: Transfer to general reserve	5,000.00	8,820.10
Closing balance	15,462.36	14,880.63
Comprehensive Income		
Opening balance	4,410.91	5,858.05
Add: Changes during the year	(11.18)	(14.04)
Less: Transfer to Retained Earnings	239.34	1,433.10
Closing balance	4,160.39	4,410.91
Total	37,348.50	32,019.39

- 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.28.50 lakhs (Previous year: Rs.29.70 lakhs). [Refer Note No.6 and 12A].
- Sugar Price Equalisation Reserve: Refer note no.37.13
- 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 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, 2026		As at 31st March, 2025	
	Current	Non current	Current	Non current
Secured term loans from banks				
State Bank of India GECL	-	-	363.16	-
State Bank of India Turbine Term Loan	-	-	72.00	879.41
State Bank of India Term Loan	-	-	833.33	-
HDFC Bank Term Loan	625.00	312.50	625.00	937.50
BMW Financial Services Pvt. Ltd.- Car Loan	50.88	40.81	47.08	91.70
Total	675.88	353.31	1,940.57	1,908.61

Details of securities offered

- (1) 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.
- (2) 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.
- (3) Rupee Turbine Term Loan of State Bank of India is secured by exclusive first charge on 15 MW turbine 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.
- (4) Rupee Loan of BMW Financial Services Pvt. Ltd. (Car Loan) is secured by first charge on car financed.

Terms of Repayment

(Rs. in lakhs)

Name of the banks / entities	Interest Rate (%)	Amount Outstanding as on 31st March, 2026		Period of maturity as at 31st March, 2026	No. and amount of instalment outstanding
		Current	Non Current		
HDFC Tem Loan	7.16	625.00	937.50	1 year and 6 months	6 Quarterly instalment of Rs.156.25 lakhs
BMW Financial Service Pvt. Ltd.-Car loan	7.77	50.88	91.70	1 years and 9 months	2 monthly instalment of Rs.4.68 lakhs including EMI interest
Total		675.88	353.31		

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.

Note 19 Other non current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Corporate Guarantees issued	18.24	33.08
Total	18.24	33.08

Note 20 Other non current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Other payable	14.50	14.50
Total	14.50	14.50

Notes forming part of Consolidated Financial Statement

Note 21 Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities		
Depreciation	1,319.52	1,105.95
Total A	1,319.52	1,105.95
Deferred Tax Assets		
Expenses allowable on payment basis	108.92	107.19
Others	312.96	239.09
Total B	421.88	346.28
Total A-B	897.64	759.67

*Refer Note 36

Note 22 Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non current	Current	Non current
Provisions for employees benefits*				
Unavailed leave	30.90	39.09	29.47	43.39
Gratuity	32.77	35.01	63.15	-
Other Provision **	-	451.85	-	451.85
Total	63.67	525.95	92.62	495.24

* Refer note no.37.4

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

Note 23 Short Term borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loan payable on demand		
Working capital loans from banks		
State Bank of India	13,361.90	15,364.24
Punjab National Bank	4,491.75	4,493.40
HDFC Bank Ltd.	2,590.66	982.44
Yes Bank Ltd.	3,500.97	3,495.98
Current maturities of long term borrowings*	675.88	1,940.57
Total	24,621.16	26,276.63

* 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 a director.

Notes forming part of Consolidated Financial Statement

Note 24 Trade and other payables

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade payable		
Payable to Micro and small enterprises*	109.36	148.19
Payable to other than Micro and small enterprises	7,334.63	7,968.22
Other payables-Suppliers of capital goods		
Payable to Micro and small enterprises*	6.06	27.18
Payable to other than Micro and small enterprises	40.50	48.37
Total	7,490.55	8,191.96

* Refer note no.37.7

Refer note no.37.27 for ageing schedule

Note 25 Other current financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Interest accrued but not due on borrowings	0.31	0.42
Interest accrued and due on borrowings	6.17	14.59
Security Deposit	303.37	280.16
Salary and other payables to employees	252.02	220.96
Unpaid dividend	1.31	1.31
Outstanding liability of related party	474.09	290.04
Corporate guarantee	14.84	18.36
Other payable *	352.06	312.96
Total	1,404.17	1,138.80

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

Note 26 Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statutory liabilities	284.11	142.37
Advances from customers	113.02	75.96
Total	397.13	218.33

Notes forming part of Consolidated Financial Statement

Note 27 Revenue from operations

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Sale of goods		
Sugar	51,425.32	52,739.98
Molasses	22.80	22.80
Bagasse	3,055.15	2,859.19
Industrial alcohol	5,294.22	4,276.00
Power	1,693.50	759.71
Others*	4,297.77	4,989.16
Total A	65,788.76	65,646.84
Other operating revenue**		
Export quota sale	49.32	253.68
Total B	49.32	253.68
Total revenue from operations Total A+B	65,838.08	65,900.52

*Include country liquor sale Rs.4083.00 lakhs (Previous year Rs.4844.75 lakhs)

** Refer Note No. 37.19

Note 28 Other income

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest income		
From Banks	86.04	60.16
From Others	512.19	329.56
Deferred Government Grant*	-	29.48
Other non operating income		
Foreign currency Gain/(Loss)	-	0.11
Insurance claims	718.02	23.13
Profit on sale of fixed assets	246.73	11.22
Unspent liabilities/balances written back	3.78	13.66
Miscellaneous income	296.99	160.18
Gain on mutual funds	46.46	-
Reversal of provision for doubtful ""debts/Advances	3.60	-
Storage fund for molasses written back**	5.00	5.98
Profit on sale of Investment	-	72.89
Others***	32.11	30.95
Total	1,950.92	737.32

*Refer Note No. 37.11

** Refer note no.17

*** Measurement of Guarantee commission

Notes forming part of Consolidated Financial Statement

Note 29 Cost of materials consumed

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Sugar cane	46,097.14	42,558.77
Other	313.91	377.75
Total	46,411.05	42,936.52

Note 30 Purchase of stock in trade

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Other	78.51	48.37
Total	78.51	48.37

Note 31 Changes in inventories of finished goods, by-products and work-in-progress

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Finished goods		
Opening stock		
Sugar	31,628.78	33,947.34
Molasses	1,919.35	1,418.71
Bagasse	1,480.28	1,063.35
Industrial alcohol	831.64	527.19
Banked Power	142.47	132.26
Others	19.90	9.21
Total (a)	36,022.42	37,098.06
Less : Closing stock		
Sugar	33,197.98	31,628.78
Molasses	1,755.85	1,919.35
Bagasse	1,677.14	1,480.28
Industrial alcohol	616.21	831.64
Banked Power	210.24	142.47
Others	64.33	19.90
Total (b)	37,521.75	36,022.42
Total (a-b)	(1,499.33)	1,075.64
Work-in-progress		
Opening stock	-	592.90
Less : Closing stock	-	-
	-	592.90
(Increase)/Decrease in Inventories	(1,499.33)	1,668.54

Notes forming part of Consolidated Financial Statement

Note 32 Employee benefit expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Salary, wages, bonus and other payments	2,206.91	2,025.06
Contribution to provident fund and other funds	124.16	121.44
Workmen and staff welfare expenses	105.21	42.81
Gratuity expense	38.85	9.19
Total	2,475.13	2,198.50

Note 33 Finance costs

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest expenses		
Cash credit	864.15	1,315.71
Term loan	193.07	398.67
Others	30.03	38.20
Other borrowing costs	82.93	63.97
Total	1,170.18	1,816.55

Note 34 Depreciation and amortisation expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation		
Depreciation of property, plant & equipments	1,955.57	1,954.98
Amortisation		
Amortisation of intangible assets	5.99	2.39
Amortisation of right to use assets	239.38	239.38
Total	2,200.94	2,196.75

Notes forming part of Consolidated Financial Statement

Note 35 Other Expenses

(Rs. in lakhs)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Consumption of stores and spare parts	561.91	571.31
Packing materials	1,782.67	2,216.63
Power and fuel	565.87	675.02
Rent	208.06	257.05
Repairs to :		
Buildings	108.47	103.00
Plant & Machinery	1,766.82	1,755.02
Others	296.41	304.27
Insurance	133.41	190.15
Rates and taxes	545.35	575.26
Selling expenses :		
Commission to selling agents	243.69	241.46
Other selling expenses	798.95	1,068.72
Payments to auditors :		
Audit fee (including limited review fee)	10.55	10.58
Tax audit fee	1.50	1.50
Reimbursement of expenses	0.58	1.50
Charity and donation	17.94	30.45
Printing and stationary	18.47	17.56
Communication expenses	17.95	19.00
Travelling expenses	416.58	482.07
Consultancy and legal expenses	254.38	268.24
Directors sitting fees	4.80	6.70
Directors remuneration	979.28	936.72
Miscellaneous expenses	493.06	606.46
MAEQ Expenses	0.68	-
CSR expenditure	81.33	86.85
Loss on sale/discard of property, plant and equipment	41.25	158.39
Transfer to storage fund for molasses	2.90	2.84
Provision for doubtful debts and advances	7.71	4.45
Balances written off	2.67	7.28
Fair valuation of financial instrument	292.34	254.70
Other expenses*	40.58	27.43
Total	9,696.16	10,880.61

* Measurement of Guarantee expenses

Notes forming part of Consolidated Financial Statement

Note 36 : Tax Reconciliation

The major components of income tax expenses for the year ended 31st March, 2026 and 31st March, 2025 are as follows:

(i) Profit or loss section

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax expense	1,760.93	1,328.55
Tax expense of earlier years	11.27	25.82
Deferred tax expense	141.77	(17.60)
Total	1,913.97	1,336.77

(ii) OCI Section

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Net gain/(loss) on remeasurement of defined benefit plans	(15.60)	(18.91)
Unrealised gain/(loss) on FVTOCI equity securities	0.62	0.14
Income tax charged to OCI	3.80	4.73
Total	(11.18)	(14.04)

Reconciliation of tax expense

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax	1,760.93	1,328.55
Tax expense of earlier years	11.27	25.82
Deferred tax	141.77	(17.60)
Total	1,913.97	1,336.77
Accounting profit before tax from continuing operations	7,256.36	4,892.00
Applicable tax rate (using Company's tax rate)	25.168%	25.168%
Computed tax expense (A)	1,826.28	1,231.22
Expenses not allowable for tax purpose	(149.54)	55.36
Effect of tax deduction	(46.13)	(51.23)
Changes in recognized deductible temporary differences	272.09	75.61
Tax expense of earlier years	11.27	25.82
Net adjustment (B)	87.69	105.56
Tax expense (A+B)	1,913.97	1,336.78

Notes forming part of Consolidated Financial Statement

(Rs. in lakhs)

Particulars	As at 31st March, 2024	Provided during the year	As at 31st March, 2025	Provided during the year	As at 31st March, 2026
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	1,082.06	23.89	1,105.95	213.57	1,319.52
Total deferred tax liability (A)	1,082.06	23.89	1,105.95	213.57	1,319.52
Deferred tax assets:					
Expenses allowable on payment basis	98.66	8.53	107.19	1.73	108.92
Other Ind AS adjustments related to Financial Asset/Liabilities (Net)	201.39	37.70	239.09	73.87	312.96
Total deferred tax assets (B)	300.05	46.23	346.28	75.60	421.88
Deferred Tax Liability / (Asset) (Net) (A - B)	782.01	(22.34)	759.67	137.97	897.64

37.1 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.

The Group got converted INR term loan in foreign currency during the current financial year for a period of 180 days with hedging of the repayments.

Foreign currency risk	31st March, 2026		31st March, 2025	
	In USD	Rs. in lakhs	In USD	Rs. in lakhs
Outstanding Balance from customers	NIL	NIL	NIL	NIL
Outstanding Balance of term loan	NIL	NIL	21,04,941	1784.74

(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.

Notes forming part of Consolidated Financial Statement

(iv) Commodity price risk

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

Credit risk

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

The impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the 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 st March, 2026	As at 31 st March, 2025
Upto 6 months	1,246.71	831.29
6 to 12 Months	0.04	0.01
More than 12 months	25.45	23.72

The management has made provision for expected credit loss amounting to Rs.23.78 lakhs (Rs.16.01 lakhs) and management is of view that although certain amounts are beyond credit period but they are in fact recoverable and will be received in due course so balance amount is not liable to expected credit loss.

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

(Rs. in lakhs)

Particulars	Amount
Balance as at 01st April, 2025	16.01
Provided during the year	7.77
Reversed during the year	-
Balance as at 31st March, 2026	23.78
Balance as at 01st April, 2024	15.94
Provided during the year	0.07
Reversed during the year	-
Balance as at 31st March, 2025	16.01

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.

Notes forming part of Consolidated Financial Statement

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

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

(Rs. in lakhs)

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2026				
Term loans	675.88	353.51	-	1,029.19
Loans repayable on demand	23,945.28	-	-	23,945.28
Trade and other payables	7,490.55	-	-	7,490.55
Other financial liabilities	1,404.17	18.24	-	1,422.41
Total	33,515.88	371.55	-	33,887.43

(Rs. in lakhs)

Liabilities	Less than 1 Year	1 to 5 years	More than 5 years	Total
As at 31st March, 2025				
Term loans	1,908.61	1,940.57	-	3,849.18
Loans repayable on demand	24,336.06	-	-	24,336.06
Trade and other payables	8,191.96	-	-	8,191.96
Other financial liabilities	1,138.80	33.08	-	1,171.88
Total	35,575.43	1,973.65	-	37,549.08

37.2 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, 2026 and 31st March, 2025.

(Rs. in lakhs)

Description	As at 31 March, 2026	As at 31 March, 2025
Borrowings	24,974.47	28,185.24
Lease and other financial liabilities	1,422.41	1,171.88
Trade and other payables	7,490.55	8,191.96
Less: Cash and cash equivalents	145.88	384.97
Net debts	33,741.55	37,164.11
Equity share capital	1,840.00	1,840.00
Other equity	37,348.50	32,019.39
Total equity	39,188.50	33,859.39
Total equity and net debt	72,930.05	71,023.50
Gearing ratio (%)	46.27	52.33

(ii) No dividend has been recommended for the financial year ended 31st March, 2026.

37.3 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, 26	31st March, 25
Profit attributable to equity shareholders of the Group:	5,342.39	3,555.23
Profit attributable to equity shareholders for basic earnings	5,342.39	3,555.23
Profit attributable to equity shareholders adjusted for dilution effect	5,342.39	3,555.23
Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted)	9,20,00,170	9,20,00,170
Earnings Per Share (Basic & Diluted)	5.81	3.86

37.4 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, 2026 31st March, 2025

Employers' contribution to provident fund

Rs. 124.16 lakhs Rs. 121.44 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, 2026 (Funded)	Gratuity Year ended 31st March, 2025 (Funded)	Leave Encashment Year ended 31st March, 2026 (Non funded)	Leave Encashment Year ended 31st March, 2025 (Non funded)
I. Expenses recognized in the Statement of Profit and Loss				
Current service cost	35.37	36.98	15.74	18.12
Interest cost	25.34	24.93	4.92	4.34
Past service cost	-	-	-	-
Expected return on plan assets	(21.86)	(19.61)	-	-
Net expenses recognized in Statement of Profit and Loss	38.85	42.30	20.66	22.46
II. Other comprehensive (income)/expenses (Re-measurement)				
Accumulated (gain)/loss opening balance	20.19	27.29	181.80	155.79
Actuarial (gain)/loss – obligation	(23.45)	(0.31)	21.68	26.01
Actuarial (gain)/loss – plan assets	17.37	(6.79)	-	-
Total Actuarial (gain)/loss	(6.08)	(7.10)	21.68	26.01
Actuarial (gain)/loss at the end of the period	14.11	20.19	203.48	181.80
III. Net liability/(assets) recognized in the balance sheet				
Present value of obligations at the end of period	369.33	375.35	69.99	72.87
Fair value of the plan assets at the end of period	290.66	312.20	-	-
Funded status surplus/(deficit)	(78.67)	(63.15)	(69.99)	(72.87)
Net liability/(asset) as at year end	78.67	63.15	69.99	72.87
IV. Changes in present value of obligations during the year				
Present value of obligation at the beginning of the year	375.35	343.83	72.87	59.89
Current service cost	35.37	36.98	15.74	18.12
Interest cost	25.34	24.93	4.92	4.34
Past service cost	-	-	-	-
Benefits paid if any	(43.29)	(30.08)	(45.22)	(35.49)
Actuarial loss/ (gain)	(23.44)	(0.31)	21.68	26.01
Present value of obligation at the year end	369.33	375.35	69.99	72.87
V. Changes in fair value of plan assets				
Fair value of plan assets at the beginning of period	312.21	290.50	-	-
Expected return on plan assets	21.85	19.61	-	-
Contributions	17.25	25.39	-	-
Benefits paid	(43.29)	(30.08)	-	-
Actuarial Gain/(Loss) on plan assets	(17.36)	6.79	-	-
Fair value of plan assets at the year end	290.66	312.21	-	-

Notes forming part of Consolidated Financial Statement

Description	Gratuity Year ended 31st March, 2026 (Funded)	Gratuity Year ended 31st March, 2025 (Funded)	Leave Encashment Year ended 31st March, 2026 (Non funded)	Leave Encashment Year ended 31st March, 2025 (Non funded)
VI. Maturity profile of defined benefit obligation				
Within in next 12 months	41.60	27.01	29.48	29.48
Between 2 and 5 years	156.08	159.96	43.39	43.39
5 years and above	171.65	188.38	-	-
Total expected payments	369.33	375.35	72.87	72.87
Weighted average duration (based on discounted cash flow) in years	8	8	-	-
Details of plan asset	Gratuity Trust	Gratuity Trust	N/A	N/A
SBI Life Kalyan ULIP Plus (V03)	260.44	257.75	-	-
Bank Balance and Others	30.22	54.46	-	-

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

Particulars	As at 31st March, 2026	As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Present value of Defined Benefit Obligation	369.33	375.35	343.83	317.20	279.48
Fair value of Plan Assets	290.66	312.21	290.50	245.65	256.73

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

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

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

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

Actuarial Assumption

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Current Year	Previous Year	Current Year	Previous Year
Discount rate (per annum)	7.00%	6.75%	7.00%	6.75%
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, 2026
Defined Benefit Obligation (Base)	369.33 lakhs @ Salary Increase Rate : 5%, and discount rate :7.00%
Liability with x% increase in Discount Rate	3,45,13,164; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	3,97,14,079; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	3,97,41,728; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	3,44,47,869; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	3,72,22,672; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	3,66,62,054; 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, 2026
Defined Benefit Obligation (Base)	69.99 lakhs
Liability with x% increase in Discount Rate	66.17 lakhs; x=1% [Change (6)%]
Liability with x% decrease in Discount Rate	74.58 lakhs; x=1% [Change 7%]
Liability with x% increase in Salary Growth Rate	74.63 lakhs; x=1% [Change 7%]
Liability with x% decrease in Salary Growth Rate	66.03 lakhs; x=1% [Change (6)%]
Liability with x% increase in Withdrawal Rate	70.76 lakhs; x=1% [Change 1%]
Liability with x% decrease in Withdrawal Rate	69.25 lakhs; x=1% [Change (1)%]

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

Contingent liabilities:

(Rs. in lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Claims against the Group not acknowledged as debts in respect of pending cases of employees under Labour laws	73.24	81.24
(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	125.13	120.45
(iv) Corporate guarantee given by the Group for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks).	6174.21	6866.14
(v) Income Tax cases under appeal	690.73	690.73
(vi) Penalty levied by Competition Commission of India, Commissioner Excise, UP and Regulatory fee	19.39	19.39

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, 2026	As at 31 March, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	538.08	1,442.29
Less: Advances paid against above	36.97	239.90
Net Amount	501.12	1,202.39

37.6 Leases

Group as lessee

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.3.72 lakhs (previous year Rs.6.62 lakhs).

37.7 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, 2026

(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	106.57	6.06	112.63
	Interest due on above	2.79	-	2.79
(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.	2.79	-	2.79
(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, 2025

(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	143.71	27.18	170.89
	Interest due on above	4.48	-	4.48
(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.	4.48	-	4.48
(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	-	-	-

37.8 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. Aggarwala -Executive Director
- Ms. Ritika Tandon** -Company Secretary
- 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
- Mrs. Archana Agrawal\$ -Independent Director
- Shri Narendra Mohan^ -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.
 - Concept Consulting
 - Francoise Commerce Pvt. Ltd.
 - H H Foundation
 - Indian Sugar Exim Corporation Ltd.
 - KM 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.
 - Promising Logistics 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	Key Managerial Personnel (KMP) 2025-26 (2024-25)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2025-26 (2024-25)	Total 2025-26 (2024-25)
i.	Investment made			
	Sonar Casting Ltd.	- (-)	175.00(375.00)	175.00 (375.00)
	K M Vyapar Ltd.	- (-)	400.00 (-)	400.00 (-)
ii.	Remuneration including commission and PF#			
	Shri L. K. Jhunjhunwala*	200.97(333.60)	- (-)	200.97(333.60)
	Shri Aditya Jhunjhunwala	529.69(356.10)	- (-)	529.69(356.10)
	Shri Sanjay Jhunjhunwala	201.60(199.67)	- (-)	201.60(199.67)
	Shri S. C. Aggarwala	64.66(60.88)	-(-)	64.66(60.88)
	Shri Vatsal Jhunjhunwala	- (-)	30.00(25.33)	30.00(25.33)
	Ms. Palak Jhunjhunwala	- (-)	4.80(4.80)	4.80(4.80)
	Shri Arvind Kumar Gupta	26.06(23.53)	- (-)	26.06(23.53)
	Ms. Ritika Tandon**	11.11(-)	- (-)	11.11(-)
	Ms. Pooja Dua***	1.31 (7.72)	- (-)	1.31 (7.72)
iii.	Education fee paid			
	Ms. Palak Jhunjhunwala	-(-)	104.70 (78.21)	104.70 (78.21)
iv.	Rent paid			
	Sri Shakti Credits Ltd.	- (-)	3.00(3.00)	3.00 (3.00)
	Zar International Pvt. Ltd.	- (-)	1.14 (1.14)	1.14 (1.14)

Notes forming part of Consolidated Financial Statement

	K M Vyapar Ltd.	- (-)	150.00 (154.02)	150.00 (154.02)
	Marvel Business Pvt. Ltd.	- (-)	7.20 (7.20)	7.20 (7.20)
	Brahma Properties Pvt. Ltd.	- (-)	- (6.00)	- (6.00)
	Commission/fee paid			
	K M Vyapar Ltd.	- (-)	93.84(51.96)	93.84(51.96)
	Concept Consulting	- (-)	20.00 (-)	20.00 (-)
v.	Purchase of goods			
	Brahma Properties Pvt. Ltd.	- (-)	243.21 (189.73)	243.21 (189.73)
	K M Particle Boards Pvt. Ltd.	- (-)	-(1.80)	-(1.80)
vi.	Loans given			
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (750.00)	- (750.00)
	Sonar Casting Ltd.	- (-)	1825.00 (325.00)	1825.00 (325.00)
vii.	Loans received back			
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	550.00(1070.00)	550.00 (1070.00)
	Sonar Casting Ltd.	- (-)	1175.00 (325.00)	1175.00 (325.00)
viii.	Sitting fees paid			
	Smt. Madhu Mathur#	- (0.70)	- (-)	- (0.70)
	Shri S. K. Gupta#	- (0.75)	- (-)	- (0.75)
	Shri Bibhash Kumar Srivastava	1.00 (1.20)	- (-)	1.00 (1.20)
	Shri Sushil Solomon	1.40 (1.35)	- (-)	1.40 (1.35)
	Dr. Bakshi Ram	0.55 (1.35)	- (-)	0.55 (1.35)
	Mrs. Archana Agrawal \$	1.05 (0.75)	- (-)	1.05 (0.75)
	Shri Narendra Mohan ^	0.80 (0.60)	- (-)	0.80 (0.60)
ix.	Hospital Services taken			
	Shri Laxmi Public Charitable Trust	- (-)	33.00 (-)	33.00 (-)
x.	MAEQ export quota sale charges received			
	Indian Sugar Exim Corporation Ltd.	- (-)	42.53 (-)	42.53 (-)
xi.	Sale of goods			
	K M Particle Boards Pvt. Ltd.	- (-)	1830.63 (1786.00)	1830.63 (1786.00)
	Francoise Commerce Pvt. Ltd.	- (-)	6555.00 (4285.00)	6555.00 (4285.00)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	677.90 (-)	677.90 (-)
	Sri Shakti Credits Ltd.	- (-)	832.38 (-)	832.38 (-)
	Sonar Casting Ltd.	- (-)	63.41 (-)	63.41 (-)
xii.	CSR paid			
	Shri Laxmi Public Charitable Trust	- (-)	11.00 (-)	11.00 (-)
	H H Foundation	- (-)	10.00(20.00)	10.00 (20.00)
xiii.	Corporate guarantee charges received			
	Sonar Casting Ltd.	- (-)	0.05 (0.05)	0.05 (0.05)
xiv.	Lease land rent received			
	K M Particle Boards Pvt. Ltd.	- (-)	0.30 (0.60)	0.30 (0.60)
xv.	Preference share redemption received			
	K.M Energy Pvt. Limited	- (-)	- (338.92)	- (338.92)
xvi.	Sale of held Preference share			
	Promising Logistics Pvt. Ltd.	- (-)	- (385.00)	- (385.00)

Notes forming part of Consolidated Financial Statement

xvii.	Interest received			
	Sonar Casting Ltd.	- (-)	104.94 (97.74)	104.94 (97.74)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	212.44 (231.82)	212.44 (231.82)
xvi.	Balance outstanding			
	a. Amount payable			
	Shri L K Jhunjunwala*	17.09 (111.13)	-(-)	17.09 (111.13)
	Shri Aditya Jhunjunwala	333.45(76.30)	- (-)	333.45(76.30)
	Shri Sanjay Jhunjunwala	79.65(70.92)	- (-)	79.65(70.92)
	Shri S. C. Aggarwala	2.67 (2.14)	- (-)	2.67 (2.14)
	Shri Vatsal Jhunjunwala	(-)	3.27 (2.05)	3.27 (2.05)
	Ms. Palak Jhunjunwala	- (-)	2.80 (0.40)	2.80 (0.40)
	Sri Shakti Credits Ltd.	- (-)	-(0.81)	-(0.81)
	K M Vyapar Ltd.	- (-)	27.93 (14.81)	27.93 (14.81)
	Zar International Pvt. Ltd.	- (-)	1.14 (2.28)	1.14 (2.28)
	Brahma Properties Pvt. Ltd.	- (-)	90.91 (77.99)	90.91 (77.99)
	Marvel Business Pvt. Ltd.	- (-)	3.38(6.05)	3.38(6.05)
	Concept Consulting	- (-)	18.00(-)	18.00(-)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	38.87(-)	38.87(-)
	b. Amount receivable			
	Loan			
	Sonar Casting Ltd.	- (-)	1525.00 (875.00)	1525.00 (875.00)
	K M Strategic Investments and Holdings Pvt. Ltd.	- (-)	- (550.00)	- (550.00)
	Interest			
	Sonar Casting Ltd.	- (-)	- (249.25)	- (249.25)
	Sale of goods			
	K M Particle Boards Pvt. Ltd.	- (-)	- (0.51)	- (0.51)
	c. Corporate guarantee given by the Group for loan sanctioned/availed by			
	Sonar Casting Limited	- (-)	6174.21 (6866.14)	6174.21 (6866.14)
	d . Investment Held (Cost)			
	Equity share in Sonar Casting Limited	- (-)	109.00 (109.00)	109.00 (109.00)
	Equity share in K M Vyapar Limited		400.00 (-)	400.00 (-)
	Equity share in HH Foundation	- (-)	0.20 (0.20)	0.20 (0.20)
	Preference share in Sonar Casting Limited		5135.00 (4960.00)	5135.00 (4960.00)
	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.

* Passed away on 14.03.2026

** Joined from w.e.f. 07.08.2025

*** Left w.e.f. 07.08.2025

Ceased to be director on 21.08.2024 upon completion of tenure

\$ Appointed w.e.f. 21.05.2025

^ Appointed w.e.f. 29.06.2025

Notes forming part of Consolidated Financial Statement

#Directors Remuneration

(Rs. in lakhs)

S. No.	Particulars	Chairman	Managing Director	Jt. Managing Director	Executive Director	Total
1	Salary	189.84 (180.00)	200.00 (180.00)	180.00 (180.00)	57.00 (54.00)	626.84 (594.00)
2	Commission	- (150.00)	300.00 (150.00)	- (-)	- (-)	300.00 (300.00)
3	Contribution to Provident Fund	- (-)	24.00 (19.50)	21.60 (19.50)	6.84 (6.06)	52.44 (45.06)
4	Perquisites:					
	(i) Residence	- (-)	3.60 (3.60)	- (-)	4.34 (4.11)	7.94 (7.71)
	(ii) Medical Reimbursement	11.13 (3.57)	5.69 (6.58)	- (0.18)	0.82 (0.82)	17.64 (11.15)
	(iii) Other benefits	0.79 (0.79)	12.30 (13.13)	0.79 (0.79)	0.62 (0.62)	14.50 (15.33)
	Total	201.76 (334.36)	545.59 (372.81)	202.39 (200.47)	69.62 (65.61)	1019.36 (973.25)

* Paid upto 13.03.2026

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 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.

37.9 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
Revenue				
Gross sales	59,791.95 (59,490.46)	9,377.22 (9,120.75)	-	69169.17 (68611.21)
Less: Inter segment sales	3,331.09 (2,710.69)	- (-)	- (-)	3,331.09 (2,710.69)
External sales	56,460.86 (56,779.77)	9,377.22 (9,120.75)	- (-)	65,838.08 (65,900.52)
Add: Other income	1,722.69 (627.47)	227.91 (109.55)	0.32 (0.30)	1,950.92 (737.32)
Total revenue	58,183.55 (57,407.24)	9,605.13 (9,230.30)	0.32 (0.30)	67,789.00 (66,637.84)
Segment results	8,047.22 (6,485.79)	379.28 (222.56)	0.04 (0.20)	8,426.54 (6,708.55)
Less: Finance cost	1,112.66 (1,791.48)	57.51 (25.06)	0.01 (0.01)	1,170.18 (1,816.55)

Notes forming part of Consolidated Financial Statement

Profit before tax	6,934.56	321.77	0.03	7,256.36
	(4,694.31)	(197.50)	(0.19)	(4,892.00)
Current tax				1,772.20
				(1,354.37)
Deferred tax				141.77
				(-17.60)
Profit after tax				5,342.39
				(3,555.23)
Other information				
Segment assets	65,724.50	9,244.94	5.38	74,974.82
	(64,629.06)	(8,354.28)	(5.49)	(72,988.83)
Segment liabilities	32,738.78	2,149.84	897.70	35,786.32
	(36,389.19)	(1,980.44)	(759.81)	(39,129.44)
Capital Expenditure	3,485.64	1,705.06	-	5,190.70
	(841.07)	(696.15)	(-)	(1,537.22)
Depreciation and amortisation	1,606.65	594.29	-	2,200.94
	(1,629.99)	(566.76)	(-)	(2,196.75)

*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 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.

37.10 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, 2026	As at 31st March, 2025	As at 31st March, 2026	As at 31st March, 2025
Financial assets				
FVOCI financial instruments:				
Unquoted equity shares	400.86	0.23	400.86	0.23
Fair Value through Statement of Profit & Loss				
Investment in Preference Shares	4,591.98	4,709.33	4,591.98	4,709.33
Investment in OFCD	2,350.00	2,350.00	2,350.00	2,350.00
Corporate guarantee	33.08	51.44	33.08	51.44
Fair value of assets through Other Comprehensive Income				
Free hold Land	2,930.15	951.05	2,930.15	951.05
Total	10,306.07	8,062.05	10,306.07	8,062.05

Notes forming part of Consolidated Financial Statement

(Rs. in lakhs)

Description	Carrying value		Fair Value	
	As at 31st March, 2026	As at 31st March, 2025	As at 31st March, 2026	As at 31st March, 2025
Financial liabilities at amortized cost through statement of profit and loss				
Loan taken from Bank, Government and others				
Fixed rate borrowings	-	-	-	-
Floating rate borrowings	1,029.19	3,849.19	1,029.19	3,849.18
Total	1,029.19	3,849.19	1,029.19	3,849.18

Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2026:

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, 2026	-	-	Yes
Preference Share	31st March, 2026	-	-	Yes

37.11 Government Grant :

The Government of Uttar Pradesh has provided term loan under the Scheme for Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government at concessional rates during the financial year 2018-19 which has been recognised in the following manners:

Description	Amount in lakhs	Year to which relates	Treatment in accounts
Revenue related to Government Grant			
Financial Assistance from the State Government	Nil	2024-25	Nil
Deferred Government Grant			
Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant)	Nil	2024-25	A sum of Rs.29.48 lakhs considered for part of the year as government grant under Note-28. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan.

Notes forming part of Consolidated Financial Statement

37.12 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, 2026	Year ended March 31, 2025
a)	Average net profits of the Company as per Section 135(5)	4,056.05	4,250.49
b)	Two percent of the average net profits of the Company as per Section 135(5)	81.12	85.01
c)	Amount approved by the Board for CSR during the Year	81.33	86.85
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	81.33	86.85
f)	Total CSR obligation for the financial year [(c)+(d)-(e)]	Nil	Nil

B. Statement of CSR Expenditure

(Rs. In lakhs)

Sl. no.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)		
	- For contribution in hospital construction and asset	11.00	-
	- For cultural and rural development etc.	0.13	2.35
	- Preventive health care and sanitation	20.00	20.00
	- For contribution towards schools to promote education	4.50	9.50
	Total	35.63	31.85
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)]	35.63	31.85
e)	Total CSR obligation for the financial year	Nil	Nil
f)	Excess CSR Expenditure available for Carry Forward	35.50	31.50

C. Statement of Carry Forward

(Rs. In lakhs)

Sl. no.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
a)	Excess CSR Expenditure carried forward	70.00	129.05	31.50	35.50
b)	Set off during the Financial year 2024-25	66.55	Nil	Nil	Nil
c)	Set off during the Financial year 2025-26	3.45	77.75	Nil	Nil
d)	Balance to be Carried Forward	Nil	*51.30	#31.50	^35.50
e)	Total amount Carried Forwarded				118.30

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

#available for set off till the financial year 2027-28

^available for set off till the financial year 2028-29

37.13 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

Notes forming part of Consolidated Financial Statement

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, 2025 shown under Note 17 of "Other equity".

- 37.14** 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.
- 37.15** Other non-current liabilities (Note No.20) 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.
- 37.16** 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 on building due to obsolescence has been provided in earlier years and the written down value as on 31st March, 2026 is Rs.0.37 lakhs.
- 37.17** 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.
- 37.18** The management is of the view that dividend payment is most probable to receive from the investments in the 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 the investment. However, no dividend received on the investment since amount invested.
- 37.19** The Central Government pursuant to Notification No. 1(4)/2025-SP dated 14th November, 2025 and Notification No. 1(1)/2025-SP dated 20th January, 2025 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 2024-25 and 2025-26 respectively 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 another sugar mill. The amount received on sale of export quota of Rs.49.32 lakhs (Previous year Rs.253.68 lakhs) has been shown as line item "Export quota sale" under Revenue from operations.

37.20 Imported and Indigenous Raw Materials, Packing Materials and Stores and Spares consumed

(Rs. In lakhs)

Description	As at 31st March, 2026		As at 31st March, 2025	
	% of total consumption	Amount	% of total consumption	Amount
Raw Materials				
Imported	-	-	-	-
Indigenous	100%	46,411.05	100%	42,936.52
Stores and packing material				
Imported	-	-	-	-
Indigenous	100%	2,344.58	100%	2,787.94

37.21 Income in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2026	31st March, 2025
Export sale	-	-

Notes forming part of Consolidated Financial Statement

37.22 Expenditure in foreign currency on account of:

(Rs. in lakhs)

Description	31st March, 2026	31st March, 2025
Travelling	28.37	138.80
Others	114.60	85.79

37.23 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.

37.24 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, 2026	Year ended 31st March, 2025
Gain/(loss) on equity instruments	0.50	0.11
Re-measurement gain/(loss) on defined benefit plans	(11.67)	(14.15)
Total	(11.17)	(14.04)

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

For the year ended 31st March, 2026

(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	921.11	-	-	-	921.11
Building work	21.45	71.42	263.39	84.96	441.22
Building work temporarily suspended*	4.66	-	-	10.08	14.74
Total	947.22	71.42	263.39	95.04	1,377.07

* 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, 2025

(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	-	-	-	-	-
Building work	71.42	263.39	399.18	4.54	738.53
Building work temporarily suspended*	-	-	-	10.08	10.08
Total	71.42	263.39	399.18	14.62	748.61

* 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

37.26 Trade payable ageing schedule

For the year ended 31st March, 2026

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	175.03	638.23	433.45	-	-	1.71	-	1,248.42
Undisputed Trade receivables - which have significant increase in credit risk								
Undisputed Trade receivables - credit impaired		-	-	0.04	0.02	4.98	2.83	7.87
Disputed Trade receivables - credit impaired							15.91	15.91
Total	175.03	638.23	433.45	0.04	0.02	6.69	18.74	1272.20

* Represents bills for the month of March 2026 which were subsequently billed in the following month.

For the year ended 31st March, 2025

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	135.70	362.04	333.54	0.01	4.91	1.86	0.95	839.01
Undisputed Trade receivables - which have significant increase in credit risk		-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired		-	-	-	0.07	-	0.03	0.10
Disputed Trade receivables - credit impaired		-	-	-	-	-	15.91	15.91
Total	135.70	362.04	333.54	0.01	4.98	1.86	16.89	855.02

* Represents bills for the month of March 2025 which were subsequently billed in the following month.

Notes forming part of Consolidated Financial Statement

37.27 Trade payable ageing schedule

For the year ended 31st March, 2026

(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	84.39	11.68	-	-	-	96.07
Others	419.98	6,840.92	17.44	37.07	11.12	7,326.53
Disputed dues-MSME	-	12.20	0.52	-	0.57	13.29
Disputed dues-Others	-	-	-	-	8.10	8.10
Total	504.37	6,864.80	17.96	37.07	19.79	7,443.99

For the year ended 31st March, 2025

(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	6.55	119.27	-	-	-	125.82
Others	-	7,865.15	64.98	13.63	16.36	7,960.12
Disputed dues-MSME	-	21.80	-	-	0.57	22.37
Disputed dues-Others	-	-	-	-	8.10	8.10
Total	6.55	8,006.22	64.98	13.63	25.03	8,116.41

37.28 Details of shares held by promoter and promoter group of the Company

Equity Shares held by promoters as at 31st March, 2026 and 31st March, 2025

(Rs. in lakhs)

Promoter Name	As at 31st March, 2026			As at 31st March, 2025		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Promoters						
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%	-
Promoter group						
Naina Jhunjunwala	41,80,748	4.54%	-	41,80,748	4.54%	-
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 Consolidated Financial Statement

37.29 Loans to promoter, director and related parties etc.

For the year ended 31st March, 2026

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter/director	-	-
Loan to KMPs	-	-
Loan to related party	1,525.00	100%

For the year ended 31st March, 2025

(Rs. in lakhs)

Type of borrower	Amount of loan outstanding	% of total loan
Loan to promoter/director	-	-
Loan to KMPs	-	-
Loan to related party	1,674.25	100%

37.30 Financial ratios

The following are analytical ratios for the year ended 31st March, 2025 and 31st March, 2025

Particulars	Numerator	Denominator	31st March, 2026	31st March, 2025	Change
Current Ratio	Current assets	Current liabilities	1.21	1.12	8.04%
Debt-Equity Ratio	Total Debt (Note 1)	Total Equity	0.64	0.83	-22.89%
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service (Note 2)	4.72	1.89	149.74%*
Return on Equity Ratio	Profit for the year	Average Total Equity	14.63	11.08	32.04%^
Inventory turnover ratio	Revenue from Operations	Average Inventory	1.79	1.80	-0.56%
Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivable	63.08	34.94	80.54%**
Trade payables turnover ratio	Purchases and Other Services	Average Trade Payables	6.26	3.93	59.29%\$
Net capital turnover ratio	Revenue from Operations	Working Capital	9.17	15.78	-41.89%#
Net profit ratio	Profit for the year	Revenue from Operations	8.11%	5.39%	272bps^
Return on Capital employed	EBIT (Note 3)	Capital Employed (Note 4)	20.96%	17.79%	317bps
Return on investment	Profit for the year	Average Total Assets	7.22%	4.71%	251bps^

* Repayment of term loans

^ Increase in net profit with increased margin

**Early realization of trade receivables

\$Early payment of trade payables

#Turnover increase is not significant but working capital has improved with increase in profit

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 Consolidated Financial Statement

37.31 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, 2026

(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, 2024	26,505.41	24,840.70	1,664.71	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, 2024	11,548.66	7,589.80	3,958.86	
December 31, 2024	16,827.68	10,567.52	6,260.16	
March 31, 2025	39,335.47	34,993.68	4,341.79	

For the year ended 31st March, 2025

Quarter ending	Value as per books of accounts	Value as per quarterly statement submitted with lenders	Difference	Reasons for difference
June 30, 2024	31,326.13	30,188.90	1,137.23	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, 2024	18,601.23	17,012.91	1,588.32	
December 31, 2024	21,800.65	16,639.16	5,161.49	
March 31, 2025	37,559.56	37,056.50	503.06	

37.32 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).

Notes forming part of Consolidated Financial Statement

37.33 Events occurring after the balance sheet date:

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorization of financial statements.

37.34 Figures in brackets pertain to previous year.

37.35 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 : 18th May, 2026

For and on behalf of Board of Directors

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

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
(DIN-01686189)

Ritika Tandon
Company Secretary

K. M. SUGAR MILLS LIMITED

Regd. Office: 76, ELDECO GREENS, GOMTI NAGAR,

LUCKNOW, UTTAR PRADESH-226010

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 53rd Annual General Meeting of the K. M. Sugar Mills Ltd. will be held **through Video Conference / Other Audio Visual Means**, on Tuesday, the 28th day of July, 2026, at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the Audited Standalone financial statements of the Company for the financial year ended March 31, 2026 and the reports of the Board of Directors' and Auditors' thereon; and (b) the Audited Consolidated financial statement of the Company for the financial year ended March 31, 2026 and the report of the Auditors thereon.

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

- (a) "RESOLVED THAT, the audited standalone financial statements of the Company for the financial year ended March 31, 2026, and the reports of the Board of Directors' and Auditors' thereon as circulated to the members with the notice of the Annual General Meeting, be and are hereby received, considered and adopted."

- (b) "RESOLVED FURTHER THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2026, and the report of the Auditors thereon as circulated to the members with the notice of the Annual General Meeting, be and are hereby received, considered and adopted."

2. To appoint a director in place of Shri Sanjay Jhunjunwala (DIN-01777954), who retires by rotation and being eligible, offered himself for re-appointment.

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Sanjay Jhunjunwala (DIN- 01777954), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, be and is hereby re-appointed as director of the Company and is liable to retire by rotation."

3. To appoint a director in place of Shri S. C. Aggarwala (DIN-02461954), who retires by rotation and being eligible, offered himself for re-appointment.

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri S. C. Aggarwala (DIN- 02461954), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, be and is hereby re-appointed as director of the Company and is liable to retire by rotation."

SPECIAL BUSINESS:

4. To appoint Smt. Naina Devi Jhunjunwala (DIN – 01837824), Additional Director, as a Director of the company.

To consider and, if thought fit, to pass, the following resolution, as a Special Resolution:-

To consider and, if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of the Nomination and Remuneration Committee Smt. Naina Devi Jhunjunwala (DIN – 01837824), who was appointed as an Additional Director (Non-Executive, Non-Independent) on the Board of Directors of the Company with effect from May 18, 2026, pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, and who holds office till the date of this meeting and for whom the Company has received a Notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary of the Company be and are hereby severally and/or jointly authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To appoint Smt. Naina Devi Jhunjunwala (DIN – 01837824) as a Whole -Time Director of the Company.

To consider and, if thought fit, to pass the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, including the Companies (Appointment and Qualification of Directors) Rules, 2014, and in terms of Regulation 17(1A) and other applicable provisions

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mrs. Naina Devi Jhunjhunwala (DIN: 01837824), who has attained the age of 80 years, be and is hereby appointed as a Whole time Director of the Company, liable to retire by rotation, for a period of 3 years commencing from 01.08.2026, on such terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening this meeting, with a power to the Board of Directors to alter and vary the terms and conditions of appointment and remuneration in such manner as may be agreed between the Board and Mrs. Naina Jhunjhunwala, subject to compliance with applicable statutory provisions, rules, regulations, guidelines and limits approved by the shareholders."

"RESOLVED FURTHER THAT the consent of the Shareholders of the Company be and is hereby accorded for appointment as a Whole Time Director and payment of aforesaid remuneration, (i) notwithstanding loss or inadequacy of profit in the respective financial year during the tenure of his office; or (ii) even if the above payment or aggregate managerial remuneration of Managing Director/ Whole Time Directors or aggregate managerial remuneration of all directors exceeds the limits as specified in Section 197 (1) of the Companies Act, 2013 or the first/second proviso thereof; (iii) or even if the above payment exceeds the limits specified in Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), 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. Re-appointment of Shri Aditya Jhunjhunwala, (DIN: 01686189) as a Managing Director of the Company. To consider and if thought fit, to pass the following resolution as a Special Resolution: -

"RESOLVED THAT the provisions of Sections 196, 197, 198, read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the "Applicable Laws") and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Shri Aditya Jhunjhunwala, (DIN: 01686189) as a Managing Director of the Company, for a period of 3 years effective from April 01, 2027 at the terms & conditions as mentioned in explanatory statement, with power to the Board of Directors ("The Board") to alter and vary the terms and conditions of the appointment

and remuneration in such a manner as may be permitted by in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by an between the Board and Shri Aditya Jhunjhunwala time to time."

"RESOLVED FURTHER the consent of the Shareholders of the Company be and is hereby accorded for payment of aforesaid remuneration, (i) notwithstanding loss or inadequacy of profit in the respective financial year during the tenure of his office; or (ii) even if the above payment or aggregate managerial remuneration of Managing Director/ Whole Time Directors or aggregate managerial remuneration of all directors exceeds the limits as specified in Section 197 (1) of the Companies Act, 2013 or the first/second proviso thereof; (iii) or even if the above payment exceeds the limits specified in Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

"RESOLVED FURTHER that the Board of Directors of the Company be and hereby authorized to do, perform and execute all such acts, deeds and things and to settle all question arising out incidental thereto, and to give such directions as may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution."

7. Re-appointment of Shri Sanjay Jhunjhunwala (DIN: 01777954) as a Whole Time Director designated as a Joint Managing Director of the Company. To consider and if thought fit, to pass the following resolution as a Special Resolution:-

"RESOLVED THAT the provisions of Sections 196, 197, 198, read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the "Applicable Laws") and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of Shri Sanjay Jhunjhunwala, (DIN: 01777954) as a Joint Managing Director of the Company, for a period of 3 years effective from April 01, 2027 at the terms & conditions as mentioned in explanatory statement, with power to the Board of Directors ("The Board") to alter and vary the terms and conditions of the appointment and remuneration in such a manner as may be permitted by in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by an between the Board and Shri Sanjay Jhunjhunwala time to time."

"RESOLVED FURTHER THAT the consent of the Shareholders of the Company be and is hereby accorded for payment of

aforesaid remuneration, (i) notwithstanding loss or inadequacy of profit in the respective financial year during the tenure of his office; or (ii) even if the above payment or aggregate managerial remuneration of Managing Director/ Whole Time Directors or aggregate managerial remuneration of all directors exceeds the limits as specified in Section 197 (1) of the Companies Act, 2013 or the first/second proviso thereof; (iii) or even if the above payment exceeds the limits specified in Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

"RESOLVED FURTHER that the Board of Directors of the Company be and hereby authorized to do, perform and execute all such acts, deeds and things and to settle all question arising out of incidental thereto, and to give such directions as may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution."

8. Re-appointment of Shri Subhash Chandra Aggarwala, (DIN -02461954) as a Whole Time Director designated as an Executive Director of the Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:-

"RESOLVED THAT the provisions of Sections 196, 197, 198, read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the "Applicable Laws") and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded for the re-appointment of **Shri Subhash Chandra Aggarwala, (DIN: 02461954)** as a Whole time Director designated as an Executive Director cum CEO, for a period of 3 years effective from April 01, 2027 at the terms & conditions as mentioned in explanatory statement, with power to the Board of Directors ("The Board ") to alter and vary the terms and conditions of the appointment and remuneration in such a manner as may be permitted by in accordance with the provisions of the Companies Act, 2013 and Schedule V or any modification thereto and as may be agreed to by an between the Board and Shri Subhash Chandra Aggarwala time to time.

"RESOLVED FURTHER THAT the consent of the Shareholders of the Company be and is hereby accorded for payment of aforesaid remuneration, (i) notwithstanding loss or inadequacy of profit in the respective financial year during the tenure of his office; or (ii) even if the above payment or aggregate managerial remuneration of Managing Director/ Whole Time Directors or aggregate managerial remuneration of all directors exceeds the limits as specified in Section 197 (1) of the Companies Act, 2013 or the first/second proviso thereof; (iii) or even if the above payment exceeds the limits specified in Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."

"RESOLVED FURTHER that the Board of Directors of the Company be and hereby authorized to do, perform and execute all such acts, deeds and things and to settle all question arising out of incidental thereto, and to give such directions as may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution."

9. Ratification of payment of remuneration to the Cost Auditor for the Financial Year 2026-27

To consider and if, thought fit to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the remuneration payable to M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, (Firm Registration No.000189) who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March 2027, at the remuneration approved by the Board of Directors on the recommendation on the Audit Committee plus goods and services tax, as applicable, and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including Committees thereof), 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."

10. To approve the changes in the terms and conditions, including remuneration payable to Shri Vatsal Jhunjhunwala, Vice President, pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013.

To consider and if, thought fit to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188(1) (f) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Meetings of Board and its powers) Rules, 2014 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, the Audit Committee, and the approval of the Board of Directors, consent of the Shareholders of the Company be and is hereby accorded for changing the terms and conditions, including remuneration for holding office/place of profit as a Vice President by Mr. Vatsal Jhunjhunwala, who is son of the Managing Director of the Company and a related party under the provisions of the Section 2(76) of the Act, for a period of 3 years, with effect from April 1, 2026, as detailed in the Explanatory Statement, with power to the Board of Directors ("The Board") to alter and vary the terms and conditions of the appointment and remuneration in such a manner as may be permitted within the

limits approved by the shareholders and as may be agreed to by an between the Board and Shri Vatsal Jhunjunwala time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof) and/or the Company Secretary of the Company be and are hereby jointly and/or severally authorised to do all such acts, deeds, matters and things, and to take all such steps as may be necessary, proper or expedient, including but not limited to filing of necessary forms and returns with the Registrar of Companies, making necessary disclosures and intimations to the Stock Exchanges in terms of the LODR Regulations, and to do all such acts, deeds and things as may be required to give effect to this Resolution, including settling any questions, difficulties or doubts that may arise in this regard."

11. To approve the continuation of Mr. Sushil Solomon as a Non-Executive Independent Director post attaining 75 years of age for the remaining term of office

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) read with Regulation 17 and other applicable provisions, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable

provisions of the Companies Act, 2013 read with Rules made thereunder, including any amendment(s), statutory modification(s) or re-enactment(s) made thereof for the time being in force and in accordance with the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for the continuation of Mr. Sushil Solomon (DIN 08553009), who will attain the age of seventy-five (75) years on **21.12.2026**, as a Non-Executive Independent Director of the Company, for the remaining term of his office up to **05th August, 2029."**

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof) and/or the Company Secretary of the Company be and are hereby jointly and/or severally authorised to do all such acts, deeds, matters and things, and to take all such steps as may be necessary, proper or expedient, including but not limited to filing of necessary forms and returns with the Registrar of Companies, making necessary disclosures and intimations to the Stock Exchanges in terms of the LODR Regulations, and to do all such acts, deeds and things as may be required to give effect to this Resolution, including settling any questions, difficulties or doubts that may arise in this regard."

Place: Lucknow
Dated: 18.05.2026

By the Order of the Board
For K. M. Sugar Mills Ltd.
-Sd/-
Ritika Tandon
Company Secretary & Compliance Officer

Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular no. 20/2020 dated May 5, 2020, Circular no. 02/2021 dated January 13, 2021, Circular no. 19/2021 dated December 8, 2021, Circular no. 21/2021 dated December 14, 2021, Circular no. 2/2022 dated May 5, 2022, Circular no. 10/2022 dated December 28, 2022, Circular no. 09/2023 dated September 25, 2023 and Circular no. 09/2024 dated September 19, 2024 in relation to "Clarification on holding of Annual General Meeting ("AGM") through video conferencing ("VC") or Other Audio Visual Means ("OAVM")" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" (collectively referred to as "SEBI Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company has engaged the services of MUFG Intime India Private Limited (MUFG INTIME) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such an electronic voting system from a place other than the venue of the AGM ("remote e-voting") is also provided by MUFG INTIME.
3. The VC/OAVM facility provided by the Company has 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 the first-come-first-served principle.
4. The 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. 27.
5. The facility for joining the AGM through VC/OAVM shall be open at least minutes before the 15 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, an electronic copy of the Notice of the 53rd 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, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
7. Pursuant to the provisions of 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 53rd AGM is being held pursuant to the MCA Circulars, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 53rd 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 a 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 amitguptacs@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 the minutes of the proceedings of this AGM.
9. Members having any queries related to accounts and operations or any other matter to be placed at the AGM of the Company, may write to the Company through an email on cs@kmsugar.in at least seven working days in advance of the Meeting. The same will be replied to by the Company suitably.
10. Members are requested to contact the Company's Registrar & Share Transfer Agent (RTA), MUFG Intime India Private Limited (MUFG INTIME) 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: rnt.helpdesk@in.mpms.mufig.com) for reply to their queries/redressal of complaints, if any, or contact Company Secretary at the Corporate Office of the Company (Phone No.: +91-522-4079561; Email: cs@kmsugar.in).
11. 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 the Company's RTA i.e. MUFG INTIME, in case shares are held in physical form.

12. 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 a request received for the transposition or transmission of securities. In view of this, Members holding shares in physical form are requested to get their shares dematerialized at the earliest. Members can contact the Company or the Company's RTA i.e. MUFG INTIME for assistance in this regard.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of a Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA, i.e. MUFG INTIME.
14. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their email addresses with their DPs in case shares are held by them in electronic form and with the Company's RTA i.e. MUFG INTIME, in case shares are held by them in physical form for receiving all communication notices, circulars etc. from the Company electronically.
15. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
16. Since the AGM will be conducted through VC / OAVM, the Route Map is not annexed to this Notice.
17. 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 53rd AGM, along with the requisite documents also be available on the Company's website www.kmsugar.com. Further, the notice received, if any, under Section 160 of the Companies Act, 2013, will be put up on the website of the Company up to the date of the Meeting. Members seeking to inspect such Documents can send an email to cs@kmsugar.in
18. 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 on Saturday, July 25th, 2026
 - ii. End of remote e-voting: Up to 5.00 p.m. IST on Monday, 27th July, 2026
19. 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, July 21st, 2026, may cast their vote through remote e-voting. The remote e-voting module shall be disabled MUFG INTIME for voting thereafter, and the facility will be blocked forthwith.
20. Members having any queries related to accounts and operations or any other matter to be placed at the AGM of the Company, may write to the Company through an email on cs@kmsugar.in at least seven working days in advance of the Meeting. The same will be replied by the Company suitably
21. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, the listed Companies have to record the PAN, Nominations and KYC details of all the shareholders and Bank Account details of the first holder of all the security holders in physical mode. In this regard, the shareholders who have physical shares are required to update their KYC, i.e. PAN, Bank Details, Nomination before April 01, 2023, failing to which their folios will be frozen as per SEBI Circular.
22. 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.
23. Shareholders holding shares in physical mode are requested to register/update KYC details such as PAN (Aadhar linked), Nomination Details, Contact Details (address with PIN, mobile number and email address), Bank Account Details (bank name, branch name, account number and IFS code) and Specimen Signature with the Company's Registrar and Transfer Agent ("RTA"), MUFG Intime India Private Limited ("MUFG Intime"), C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Tel No. : +91 22 49186270 Fax: +91 22 49186060, **Email:** rnt.helpdesk@in.mpms.mufg.com, **Website:** <https://in.mpms.mufg.com>. The relevant forms prescribed by SEBI for furnishing the above details are available on the Company's website at www.kmsugar.com as well as on RTA's website at <https://in.mpms.mufg.com>. For any clarifications/queries with respect to the submission of the above-mentioned forms, shareholders may contact the RTA at the above-mentioned details.
24. Shareholders holding shares in dematerialized mode are requested to register/update KYC details such as PAN (Aadhar-linked), Nomination Details, Contact Details (address with PIN, mobile number and email address), Bank Account Details (bank name, branch name, account number and IFS code) and Specimen Signature with the relevant Depository Participant (DP).

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

25. In compliance with the MCA Circulars and Regulation 36(1) (a) of the Listing Regulations, Notice of the AGM along with the Annual Report for the financial year 2025-26 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Registrar and Transfer Agent (RTA) / Depository Participants (DPs)/ Depositories. Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where the Annual Report for the financial year 2024-25 is available, is being sent to those Members whose email address is not registered with the Company/ Registrar and Transfer Agent (RTA) / Depository

Participants (DPs)/ Depositories. Members may note that the Notice and Annual Report for the financial year 2025-26 will also be available on the Company's website and can be accessed through the link: <https://www.kmsugar.in>, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of MUFG Intime at <https://in.mpms.mufig.com.26>. For receiving all communication (including Annual Report) from the Company electronically:

26. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in dematerialised mode are requested to register/update their e-mail address with the relevant Depository Participant. National Securities Depository Limited (NSDL) has provided a facility for registration/updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login>. Please refer to Note No. 24.
 - b) Members holding shares in physical mode are requested to follow the process set out in Note No. 23 in this Notice.
27. Remote e-Voting Instructions for shareholders:
In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL OTP based login

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- b) Enter IDeAS User ID, Password, Verification code & click on "Log-in".
- c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.

- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- c) Enter the last 4 digits of your bank account / generate 'OTP'
- d) Post successful registration, user will be provided with Login ID and password.

Shareholders/ Members can also download NSDL mobile app 'NSDL Speede' facility by seamless voting experience.



METHOD 3 - NSDL e-voting website

Visit URL: <https://www.evoting.nsdl.com>

- a) Click on the "Login" tab available under 'Shareholder/Member' section.
- b) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen & click on "Login".
- c) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL

METHOD 1 - CDSL e-voting page

- a) Visit URL: <https://www.cdslindia.com>.
- b) Go to e-voting tab.
- c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or Visit URL: www.cdslindia.com, click on "Login" and select "My Easi New (Token)".
- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link

displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- To register, visit URL: <https://web.cdslindia.com/myeasitoken/Home/EasiRegistration>/<https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration>.
- Proceed with updating the required fields for registration.
- Post successful registration, user will be provided username and password on the registered email id. Follow steps given above in points (a-c).

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.

- Login to DP website
- After Successful login, user shall navigate through "e-voting" option.
- Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP on InstaVote

Shareholders registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.
- Enter details as under:
User ID: Enter User ID
- Password: Enter existing Password
- Enter Image Verification (CAPTCHA) Code
- Click "Submit".

InstaVideo User ID	NSDL	User ID is 8 Character DP ID followed by 8 digit client ID (eg.JN123456) and 8 digit clint id (eg.12345678).
	CDSL	User ID is 16 digit is beificiary ID.
	Shares held in physical from	User ID is Event no + Follo no. registread with the company.

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

Shareholders not registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

InstaVideo User ID	NSDL	User ID is 8 Character DP ID followed by 8 digit client ID (eg.JN123456) and 8 digit clint id (eg.12345678).
	CDSL	User ID is 16 digit is beificiary ID.
	Shares held in physical from	User ID is Event no + Follo no. registread with the company.

- User ID: Enter User ID
- 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.
- DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
- Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Shareholders, holding shares in **NSDL form**, shall provide 'point 4' above.
 - Shareholders, holding shares in **CDSL form**, shall provide 'point 3' or 'point 4' above.
 - Shareholders, holding shares in **physical form** but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' 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).
- Enter Image Verification (CAPTCHA) Code.
- Click "Submit" (You have now registered on InstaVote).
Post successful registration, click on "**Login**" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

STEP 2: Steps to cast vote for Resolutions through InstaVote

- Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".
- Select 'View' icon. E-voting page will appear.
- 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).
- 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.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative

to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- Visit URL: <https://instavote.linkintime.co.in>
- Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- Fill up your entity details and submit the form.
- 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). 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.
- Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- Click on "Investor Mapping" tab under the Menu section
- Map the Investor with the following details:
 - 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
 - 'Investor's Name' - Enter Investor's Name as updated with DP.
 - 'Investor PAN' - Enter your 10-digit PAN.
 - 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE : File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.

- Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report section".

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- Click on "Votes Entry" tab under the Menu section.
- Enter the "Event No." for which you want to cast vote. Event No. can be viewed on the home page of InstaVote under "On-going Events".
- Enter "16-digit Demat Account No."
- 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). 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.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- After successful login, you will see "Notification for e-voting".
- Select "View" icon for "Company's Name / Event number".
- E-voting page will appear.
- Download sample vote file from "Download Sample Vote File" tab.
- Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.
- 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).

NOTE: Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

HELPDESK:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

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 request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on **“Login”** under ‘SHARE HOLDER’ tab.
- Further Click on **“forgot password?”**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA)
- Click on **“SUBMIT”**.

Insta/Video User ID	NSDL	User ID is 8 Character DP ID followed by 8 digit client ID (e.g. JN123456) and 8 digit client id (e.g. 12345678).
	CDSL	User ID is 16 digit is beneficiary ID.
	Shares held in physical form	User ID is Event no + Folio no. registered with the company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Further Click on **“forgot password?”**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on **“SUBMIT”**.

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. 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:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- 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”.

28) Process and manner for attending the Annual General Meeting through InstaMeet

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 03/2025 dated 22.09.2025, the companies can continue to conduct AGMs by VC or OAVM, as per the existing procedural requirements. Till further orders, the relaxations will remain in force.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

- Visit URL: <https://instameet.in.mpms.mufig.com> & click on “Login”.
- Select the “Company Name” and register with your following details:
- Select Check Box - **Demat Account No. / Folio No. / PAN**
 - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
 - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
 - Shareholders shall select check box – PAN and enter 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 by MUFG Intime, if applicable.
 - Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
 - Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Email Id with the DP shall enter the Email Id.
- Click “Go to Meeting” You are now registered for InstaMeet, and your attendance is marked for the meeting.

29) Instructions for Shareholders/ Members to Speak during Annual General Meeting through InstaMeet

- Shareholders who would like to speak during the meeting must register their request with the company at company's registered email address.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

**Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.*

30) Instructions for Shareholders/ Members to Vote during the Annual General Meeting through Insta Meet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on link “Cast your vote”.
- 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.
- Click on ‘Submit’.

- d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- e) 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'.
- f) 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. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the 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 General Meeting will be eligible to attend/ participate

in the 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.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

Place: Lucknow
Dated: 18.05.2026

By the Order of the Board
For K. M. Sugar Mills Ltd.
-Sd/-
Ritika Tandon
Company Secretary & Compliance Officer

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
and 17(11) of SEBI LISTING REGULATIONS, 2015

Item No. 4

On demise of Mr. Lakshmi Kant Jhunjhunwala on March 14, 2026 and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company in their meeting held on May 18, 2026, made appointment of Mrs. Naina Devi Jhunjhunwala W/o late Lakshmi Kant Jhunjhunwala, as an Additional Director to hold office up to the date of ensuing 53rd Annual General Meeting of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, an Additional Director appointed by the Board of Directors of the Company holds office up to the date of the next annual general meeting of the Company.

Further, Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") provides that the listed entity shall ensure that approval of shareholders for the appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mrs. Naina Devi Jhunjhunwala, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ('the Act') and pursuant to Section 152 of the Act, has given her consent to act as a Director of the Company, and requisite Notice, pursuant to Section 160 of the Act, proposing her appointment as a Director of the Company has been received. Her candidature is in conformity with the requirements of the Act and the Listing Regulations.

Mrs. Naina Devi Jhunjhunwala possesses the appropriate skills, experience, knowledge and capabilities required for the role of a Director of the Company. She also possesses appropriate skills, expertise and competencies in the context of the Company's businesses, particularly in the areas of management, corporate governance and industry knowledge. For the past four decades, she has skillfully navigated the companies she has worked with through an impressive trajectory of continuous growth and innovation. Considering her diverse experience, competence and extensive knowledge, her induction on the Board will be in the overall interest of the Company.

Brief profiles and other particulars, including the nature of her expertise in specific function areas and name of companies in which she holds directorship and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as required pursuant to Regulation 36 of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, is provided under the head "Profile of Directors" forming part of the Notice as **Appendix A**

The Board recommends the resolution set out in Item No. 4 of the notice for approval by the members as a Special Resolution.

Except Mr. Aditya Jhunjhunwala (Managing Director), Mr. Sanjay Jhunjhunwala (Joint Managing Director), and Mrs. Naina Devi Jhunjhunwala (Director) and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Item no. 5, 6, 7 & 8

Pursuant to the provisions of Section 196(4) read with Schedule V of the Companies Act, 2013 and provisions of the Regulation 17 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Aditya Jhunjhunwala, Mr. Sanjay Jhunjhunwala and Mr. S.C. Aggarwala were re-appointed as Whole-Time directors designated as Managing Director, Joint Managing Director & Executive Director cum C.E.O., respectively, at the 50th Annual General Meeting of the Company held on September 25, 2023, for the period of three years effective from April 01, 2024, which shall expire on March 31, 2027. Accordingly, the Board, in its meeting held on May 18, 2026, considered the recommendation of the Nomination & Remuneration Committee and approved the proposal for their reappointment for a period of three years from April 01, 2027.

Further, Mrs. Naina Devi Jhunjhunwala, was appointed by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, as an additional director of the Company with effect from May 18, 2026, on demise of Mr. Lakshmi Kant Jhunjhunwala on March 14, 2026 and who is proposed to be appointed as a Director in terms of the provisions of section 152 of the Companies Act, 2013 ("Act") read with Regulation 17(1C) of the Listing Regulations as proposed in item no. 4 of this notice. Mrs. Naina Devi Jhunjhunwala is proposed to be appointed as Whole-Time Director of the Company, with effect from August 01, 2026, as proposed in item no. 5 of this notice.

Section 196(3) of the Companies Act, 2013 provides that a person who has attained the age of seventy years may be appointed by passing a special resolution, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

It is pertinent to note that Mrs. Naina Devi Jhunjhunwala (aged eighty years) is above the prescribed age; hence, in terms of the provisions of the proviso to Section 196(3) read with Part I of Schedule V of the Companies Act, 2013, the prior approval of the shareholders is sought for her appointment. Accordingly, the Board, in its meeting held on May 18, 2026, based on the recommendation of the Nomination & Remuneration Committee, has recommended to the shareholders for approval of the proposal for her appointment as a Whole Time Director for the period of three years from August 01, 2026.

Mrs. Naina Devi Jhunjhunwala possesses the appropriate skills, experience, knowledge and capabilities required for the role of a Whole Time Director of the Company. She also possesses appropriate skills, expertise and competencies in the context of the Company's businesses, particularly in the areas of management, corporate governance and industry knowledge. For the past four decades, she has skillfully navigated the companies she has worked with through an impressive trajectory of continuous growth and innovation. Considering her diverse experience, competence and extensive knowledge, her induction on the Board will be in the overall interest of the Company.

Pursuant to the provisions of Section 196(4) read with Schedule V of the Act and provisions of Regulation 17 of the Listing Regulations, the approval of the Shareholders of the Company is required for the re-appointment of Mr. Aditya Jhunjhunwala, Mr. Sanjay Jhunjhunwala

and Mr. S.C. Aggarwala as Whole-Time Directors designated as Managing Director, Joint Managing Director & Executive Director cum C.E.O., respectively with effect from April 01, 2027 and for the appointment of Mrs. Naina Devi Jhunjunwala as a Whole-Time Director with effect from August 01, 2026.

Pursuant to Section 197(1) of the Act, the total managerial remuneration payable by a public company to its directors, including the managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the company for that financial year computed in the manner laid down in Section 198 of the Act. However, pursuant to the first proviso to Section 197(1) of the Act, the company in a general meeting may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V to the Act.

Further, pursuant to second proviso to Section 197(1) of the Act, except with the approval of the company in general meeting, by a special resolution, the remuneration payable to any one managing director or whole-time director or manager shall not exceed five percent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors and manager taken together.

Further, pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of

the shareholders of the company by way of a special resolution is required for (i) payment of annual remuneration to executive director, who is a promoter or member of the promoter group of the company, exceeding rupees 5 crore or 2.5 per cent of the net profits (computed as per the provisions of Section 198 of the Act) of the company, whichever is higher; or (ii) where there is more than one such director, payment of aggregate annual remuneration to such directors exceeding 5 percent of the net profits (computed as per the provisions of Section 198 of the Act) of the company.

Brief profiles and other particulars, including the nature of expertise in specific function areas and name of companies in which Mrs. Naina Devi Jhunjunwala, Mr. Aditya Jhunjunwala, Mr. Sanjay Jhunjunwala and Mr. S.C. Aggarwala ("Proposed Appointees") holds directorship and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as required pursuant to Regulation 36 of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, is provided under the head "Profile of Directors" forming part of the Notice as Appendix A

The Board has proposed the necessary resolution at item no. 5, 6, 7 & 8 for the appointment of Mrs. Naina Devi Jhunjunwala with effect from August 01, 2026 and reappointment of Mr. Aditya Jhunjunwala, Mr. Sanjay Jhunjunwala and Mr. S.C. Aggarwala with effect from April 01, 2027, respectively, on the following terms and conditions:

A. Remuneration:

Sl.	Particulars	Naina Jhunjunwala	Aditya Jhunjunwala	Sanjay Jhunjunwala	S.C. Aggarwala
1.	Basic Salary	In the range of Rs. 10.00-15.00 Lacs per month as may be determined by the NRC committee and approved the Board	In the range of Rs. 17.50-30.00 Lacs per month as may be determined by the NRC committee and approved the Board.	In the range of Rs. 15.00-20.00 Lacs per month as may be determined by the NRC committee and approved the Board.	In the range of Rs. 4.80-10.00 Lacs per month as may be determined by the NRC committee and approved the Board.
2.	Commission	Not exceeding Rs. 5 crores per annum, as may be approved by Board and its committee from time to time.	Not exceeding Rs. 5 crores per annum, as may be approved by Board and its committee from time to time.	Not exceeding Rs. 5 crores per annum, as may be approved by Board and its committee from time to time.	Commission not exceeding 2% of Net profits under Section 198, as may be approved by Board and its committee from time to time.
3.	House	Free Furnished House	Free Furnished House	Free Furnished House	Free Furnished House.
4.	Medical Reimbursement	Expenses actually incurred for self and his family in India and Abroad.	Expenses actually incurred for self and his family in India and Abroad.	Expenses actually incurred for self and his family in India and Abroad.	Expenses actually incurred for self and his family in India and Abroad.
5.	Leave Travel Concession	Travelling, Lodging, Boarding conveyance, others for self and his family in India and Abroad.	Travelling, Lodging, Boarding conveyance, others for self and his family in India and Abroad.	Travelling, Lodging, Boarding conveyance, others for self and his family in India and Abroad.	Once in a year for self & family as per Company's rules
6.	Personal Accident Insurance	Amount of annual premium which does not exceed the limit as per Companies Act,2013	Amount of annual premium which does not exceed the limit as per Companies Act,2013	Amount of annual premium which does not exceed the limit as per Companies Act,2013	Amount of annual premium which does not exceed the limit as per Companies Act,2013
7.	Conveyance	Two Chauffeur driven cars for self and family	Two Chauffeur driven cars for self and family	Two Chauffeur driven cars for self and family	Car with driver for self and family
8.	Club and Association Fees	Membership of clubs in India and Abroad- admission for life and renewal thereof	Membership of clubs in India and Abroad- admission for life and renewal thereof	Membership of clubs in India and Abroad- admission for life and renewal thereof	Membership of clubs in India and Abroad- admission for life and renewal thereof
9.	Co's cont. to PF	As per company's rules	As per company's rules	As per company's rules	As per company's rules

10.	Co's cont. to Pension	As per company's rules together with PF and to such amount not taxable under Income Tax	As per company's rules together with PF and to such amount not taxable under Income Tax	As per company's rules together with PF and to such amount not taxable under Income Tax	As per company's rules together with PF and to such amount not taxable under Income Tax
11.	Gratuity	As per company's rules but not exceed 15 days salary on each completed year's.	As per company's rules but not exceed 15 days salary on each completed year's	As per company's rules but not exceed 15 days salary on each completed year's	As per company's rules but not exceed 15 days salary on each completed year's.
12.	Encashment of leave	At the end of tenure will not be included in computation of the ceiling of perquisites	At the end of tenure will not be included in computation of the ceiling of perquisites	At the end of tenure will not be included in computation of the ceiling of perquisites	At the end of tenure will not be included in computation of the ceiling of perquisites
13.	Leave	Encashment of leave as per company rules	Encashment of leave as per company rules	Encashment of leave as per company rules	Encashment of leave as per company rules
14.	Travelling	Shall be entitled to use company car with driver for business use and also entitled to get reimbursement of travelling and other incidental expenses incurred with respect to his family when he accompanies his family in Business trips in India and abroad and it will not be reckoned as perquisite.	Shall be entitled to use company car with driver for business use and also entitled to get reimbursement of travelling and other incidental expenses incurred with respect to his family when he accompanies his family in Business trips in India and abroad and it will not be reckoned as perquisite.	Shall be entitled to use company car with driver for business use and also entitled to get reimbursement of travelling and other incidental expenses incurred with respect to his family when he accompanies his family in Business trips in India and abroad and it will not be reckoned as perquisite.	Shall be entitled to use company car with driver for business use and also entitled to get reimbursement of travelling and other incidental expenses incurred with respect to his family when he accompanies his family in Business trips in India and abroad and it will not be reckoned as perquisite.
15.	Telephone	Payment of telephone at residence / mobile cell phone bills shall not be reckoned as perquisites	Payment of telephone at residence / mobile cell phone bills shall not be reckoned as perquisites	Payment of telephone at residence / mobile cell phone bills shall not be reckoned as perquisites	Payment of telephone at residence / mobile cell phone bills shall not be reckoned as perquisites
16.	Other perks	As applicable to other senior management. In case, the company does not have profit or profit are inadequate, she will be entitled such perks as per limit specified above as well as Schedule-V	As applicable to other senior management. In case, the company does not have profit or profit are inadequate, he will be entitled such perks as per limit specified above as well as Schedule-V	As applicable to other senior management. In case, the company does not have profit or profit are inadequate, he will be entitled such perks as per limit specified above as well as Schedule-V	As applicable to other senior management. In case, the company does not have profit or profit are inadequate, he will be entitled such perks as per limit specified above as well as Schedule-V

B. Other Terms:

- In case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the three years period starting from the date of appointment, the aforesaid remuneration shall be paid to respective directors as minimum remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force;
- The Proposed Appointees shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
- The appointment may be terminated by either party giving the other party six months' notice or paying six months' salary in lieu thereof;
- If at any time any director ceases to be a director of the Company for any reason whatsoever, he shall cease to be the Whole Time Director of the Company;
- The office of the Director will be subject to retirement by rotation.

In terms of the provisions of Schedule V to the Act, the payment of the aforesaid remuneration shall be made, for a period of three years, in the event of inadequacy of profits or losses in the respective financial year.

As proposed in item no. 5, 6, 7 and 8, the approval of the members of the Company by way of special resolution is sought in terms of the provisions of sections 196, 197 read with schedule V, other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and regulation 17(6)(e) of the SEBI Listing Regulations, 2015 for:

- the approval for the appointment of Mrs. Naina Devi Jhunjunwala with effect from August 01, 2026 and reappointment of Mr. Aditya Jhunjunwala, Mr. Sanjay Jhunjunwala and Mr. S.C. Aggarwala with effect from April 01, 2027, respectively on the terms and conditions as set out above, in terms of the provisions of section 196(3), 196(4) and Part I of Schedule V of the Companies Act, 2013;
- payment of the aforesaid managerial remuneration, even if the aggregate managerial remuneration of all directors exceeds the limit as specified in Section 197 (1) of the Companies Act, 2013;
- payment of aforesaid managerial remuneration, even if the Individual limit exceeds five percent of the Net Profits of the Company or the aggregate limit exceeds ten percent of Net Profits of the Company, in terms of the provisions of the second proviso to section 197(1) of the Companies Act, 2013;
- payment of the aforesaid managerial remuneration, even if the

same exceeds the limits provided in the table provided in Section II of Part II of Schedule V to the Companies Act, 2013; and

- e. payment of the aforesaid managerial remuneration, even if the same exceeds five percent of the net profits or Rupees Five crore, whichever is higher, in terms of regulation 17(6)(e) of the SEBI Listing Regulation, 2015.

The Board has considered the parameters given under Section 200 of the Act and the rules made thereunder, read with Schedule V to

the Act, for recommending the above remuneration. The above may be treated as a written memorandum setting out the terms of remuneration of the Proposed Appointees under Section 190 of the Act.

Information as required under Para (B) of Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I. General Information																																		
Nature of Industry	Sugar, Rectified Spirit and Electricity																																	
Date or expected date of commencement of commercial production	K.M. Sugar Mills Limited has legacy of more than 55 years with its date of incorporation being December 19, 1971.																																	
Financial performance based on given indicators	For the financial year 2025-2026, the Company made a turnover (Standalone) of INR 65838.08 Lakhs and Profit after Tax (Standalone) of INR 5342.38 Lakhs. Further details of financial performance of the Company for the years 2025-26 being provided in the Annual Report of 2026.																																	
Foreign investments or collaborations, if any	-NA-																																	
II. Information about the appointees																																		
Background details	1. Mrs. Naina Devi Jhunjhunwala is proposed to be appointed as a Whole Time Director; 2 Mr. Aditya Jhunjhunwala is proposed to be reappointed as a Managing Director; 3. Mr. Sanjay Jhunjhunwala is proposed to be reappointed as a Joint Managing Director; 4. Mr. S.C. Aggarwala is proposed to be reappointed as an Executive Director cum C.E.O.;																																	
Past remuneration	<table><tr><th colspan="5">Details of past remuneration are as follows:</th></tr><tr><th>Year</th><th colspan="4">Remuneration (Rs. In lakhs)</th></tr><tr><td>2023-24</td><td>Naina Devi Jhunjhunwala</td><td>Aditya Jhun-jhunwala</td><td>Sanjay Jhun-jhunwala</td><td>S.C.Aggarwala</td></tr><tr><td>2024-25</td><td>-</td><td>274.33</td><td>168.90</td><td>54.11</td></tr><tr><td></td><td>-</td><td>356.10</td><td>199.67</td><td>64.66</td></tr><tr><td>2025-26</td><td>-</td><td>-529.69</td><td>201.60</td><td>60.88</td></tr></table>				Details of past remuneration are as follows:					Year	Remuneration (Rs. In lakhs)				2023-24	Naina Devi Jhunjhunwala	Aditya Jhun-jhunwala	Sanjay Jhun-jhunwala	S.C.Aggarwala	2024-25	-	274.33	168.90	54.11		-	356.10	199.67	64.66	2025-26	-	-529.69	201.60	60.88
Details of past remuneration are as follows:																																		
Year	Remuneration (Rs. In lakhs)																																	
2023-24	Naina Devi Jhunjhunwala	Aditya Jhun-jhunwala	Sanjay Jhun-jhunwala	S.C.Aggarwala																														
2024-25	-	274.33	168.90	54.11																														
	-	356.10	199.67	64.66																														
2025-26	-	-529.69	201.60	60.88																														
Recognition or awards	Under the leadership of team of all the above-named Whole Time Directors, the Company has made tremendous growth and got recognitions in the Sugar Industry in Uttar Pradesh. Mrs. Naina Devi Jhunjhunwala having experience in diversified Industry for more than 40 years is proposed to be appointed as a Whole Time Director of the Company. Mr. Aditya Jhunjhunwala is a dynamic and young Management expert of Sugar Industry having experience for more than 32 years. Mr. Sanjay Jhunjhunwala is also young Management visionary and having experience for more than 28 years. Mr. S.C. Aggarwala is well known for his pioneering in Sugar Technology, having experience for more than 48 years.																																	
Job profile and his suitability	Mrs. Naina Devi Jhunjhunwala is having vast experience in diversified Industries. Mr. Aditya Jhunjhunwala is B.Com.; having experience of Sugar Industry; Mr. Sanjay Jhunjhunwala is B.Com. and MBA from U.K.; having vast Finance an Taxation experience in Sugar Industry; Mr. S. C. Aggarwala is B.Sc. from NSI, having vast experience of Sugar Technology; Taking this into consideration, the Board bestowed the task of managing the overall operations of the Company to the above team. They all are involved in day to day management of the Company and implementation of Board policies and decisions. Under their leadership, the Company has achieved new heights and remarkable growth.																																	
Remuneration proposed	As recommended by the Board, the proposed remuneration will exceed the limit prescribed under Section 197 & 198 of the Companies Act, 2013 read with Schedule V.																																	
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Chief Executive Officer /Managing Director levels of similar sized Sugar companies.																																	

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Aditya Jhunjunhwal and Mr. Sanjay Jhunjunhwal are sons of Mrs. Naina Devi Jhunjunhwal. Besides the remuneration, Mrs. Naina Devi Jhunjunhwal holds 184833348 nos. Equity shares (20.09%), Mr. Aditya Jhunjunhwal holds 5289242 nos. Equity shares (5.75%) and Mr. Sanjay Jhunjunhwal holds 2494600 nos. of Equity Shares (2.72%) of the Company. Besides remuneration, Mr. S.C. Aggarwal in way and in no manner concerned and does not hold any share of the Company.
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III. Other Information

Reasons of special resolution for payment of proposed remuneration in case of inadequate profits	The Company has earned profit during 2023-24, 2024-25 and 2025-26 of Rs. 28.09 crores, Rs 35.55 crores and Rs. 53.42 crores respectively. To pay the proposed remuneration to the Whole-Time- Directors under part B of Schedule V in excess of limit prescribed in section 197 read with Schedule V, it is required to pass a special resolution
Steps taken or proposed to be taken for improvement	With the improvements in technology and processes that the Company has introduced and it expects a significant reduction in its operational costs. Further, the Company has focused on a new cane variety to increase the yield. The measures being taken by the Company, shall significantly improve the profitability of the Company.
Expected increase in productivity and profits in measurable terms	The Company expects increase in productivity and profits in due course. However, in view of the fact that Sugar Industry is a Govt. controlled industry, giving expected increase in measurable terms is not possible.

IV. Disclosures: Disclosures pursuant to Schedule V to the Act are detailed in the Corporate Governance Section of Annual Report and above

Mrs. Naina Devi Jhunjunhwal, Mr. Aditya Jhunjunhwal, Mr. Sanjay Jhunjunhwal, and Mr. S.C. Aggarwal are interested in the resolution set out at Items Nos 5, 6, 7 and 8 of the Notice, respectively. Mrs. Naina Devi Jhunjunhwal, Mr. Aditya Jhunjunhwal, & Mr. Sanjay Jhunjunhwal, being related to each other, may be deemed to be interested in the resolution proposed at items Nos 5, 6 and 7. The other relatives of Mrs. Naina Devi Jhunjunhwal, Mr. Aditya Jhunjunhwal, Mr. Sanjay Jhunjunhwal and Shri S.C. Aggarwal may also be deemed to be interested in the aforesaid resolutions, to the extent of their shareholding, if any, in the Company. Save, and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives, is, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the resolution set out in **Items no. 5, 6, 7 and 8** of the notice for approval by the members as a special Resolution.

Item 9 :-

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 a cost audit for the financial year 2026-27 in the meeting held on May 18, 2026, at the remuneration of Rs. 40,000/- plus goods and services tax, as applicable, and reimbursement of out-of-pocket expenses, in line with the recommendation of the Audit Committee. Pursuant to the provisions of section 148, other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

The Board recommends the resolution set out in item no. 9 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 10 :-

The Board of Directors approved the appointment of Mr. Vatsal Jhunjunhwal as the Vice President of the company in its meeting held on February 12, 2022, at a monthly remuneration not exceeding two and a half lakh rupees pursuant to the provisions of clause (f) of sub-section (1) of section 188 of the Companies Act, 2013 ("Act") read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014.

Section 188 of the Act, read with applicable rules inter alia, states that except with a prior consent given by a resolution at a meeting of the Shareholders, no Company shall enter into any contract or arrangement with a related party with respect to such a related party's appointment to any office or place of profit in the Company, its subsidiary or associate company carrying a monthly remuneration exceeding ` 2,50,000/- (Rupees Two Lakh Fifty Thousand).

Now, on the recommendation of the Nomination and Remuneration committee of the Company and approval of the Audit Committee, the Board of Directors of the Company, at their meeting held on May 18, 2026, has approved the change in the terms of appointment, including remuneration, for a period of three years with effect from April 01, 2026, of Mr. Vatsal Jhunjunhwal, designated Vice President of the Company, subject to approval of the shareholders by way of ordinary resolution.

The proposed terms of Mr. Vatsal Jhunjunhwal are similar to those applicable to other employees of the Company in a similar grade and who have equivalent experience. The detailed terms and conditions of appointment of Shri Vatsal Jhunjunhwal, Vice President of the Company, are as follows:-

1. Monthly remuneration: Up to Rs. 10,00,000/- (Rupees Ten Lakhs only) per month (including all allowances, perquisites and benefits in accordance with the Company's rules and regulations in force) as recommended by the Nomination and Remuneration committee and approved by the Board of the company.
2. Promotions & Increments: The above remuneration shall be subject to promotions and increments as per Company policy. However, in no case shall the aggregate remuneration per month exceed Rs. 10,00,000 (Rupees Ten Lakhs) per month.
3. Other Terms & Conditions: Standard as per Company policy.

Additional disclosure as per Industry Standard Note:

Sr. No.	Details	Remarks
a)	Type, material terms and particulars of the proposed transaction;	Change in terms of the appointment of Mr. Vatsal Jhunjunwala, at the office/place of profit as a Vice President at a monthly remuneration not exceeding INR 10,00,000/- in terms of the provisions of clause (f) of sub-section (1) of section 188 of the Companies Act, 2013 ("Act") read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014.
b)	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mr. Vatsal Jhunjunwala Son of the Managing Director Mr. Aditya Jhunjunwala. Holding 499721 equity shares of the face value Rs. 2/- in the company under promoter group category.
c)	Tenure of the proposed transaction (particular tenure shall be specified);	Three years with effect from April 01, 2026
d)	Value of the proposed transaction;	INR 1,20,00,000 per annum
e)	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	0.20%
f)	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: (i) details of the source of funds in connection with the proposed transaction; (ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, [nature of indebtedness; cost of funds; and tenure]; (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	N/A
g)	Justification as to why the RPT is in the interest of the listed entity;	Mr. Vatsal Jhunjunwala has been working with the Company since February 2022 as a Vice President and has demonstrated his abilities for the responsibilities assigned to him. The proposed terms of Mr. Vatsal Jhunjunwala are similar to those applicable to other employees of the Company in a similar grade and who have equivalent experience.
h)	A copy of the valuation or other external party report, if any such report has been relied upon;	N/A
i)	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	N/A
j)	A summary of the information provided by the management of the listed entity to the audit committee as specified in paragraph 4 of this Section;	
k)	Any other information that may be relevant.	Vatsal Jhunjunwala is an emerging professional with a strong academic foundation in Business and Economics, having completed his undergraduate studies at SIMS College, New York University. His education has equipped him with analytical skills in financial management, economic strategy, and organizational operations. He demonstrates keen interest in corporate finance, economic analysis, and business development, with a focus on applying theoretical knowledge to practical problem-solving. Vatsal's background reflects adaptability, global exposure, and a readiness to contribute to dynamic corporate environments.

Considering Mr. Vatsal's qualifications, past work experience outside and within the Company, the Board of Directors is of the opinion that holding the office of profit by him is in the interest of the Company and his remuneration is commensurate with his responsibilities and his experience. In resolution no. 10, none of the Directors or Key Managerial Personnel of the Company or their relatives, except Mrs. Naina Devi Jhunjunwala, Mr. Aditya Jhunjunwala, & Mr. Sanjay Jhunjunwala and their relatives are concerned or interested financially or otherwise in this resolution.

The Members may please note that, in terms of the applicable provisions, no related party/ies shall vote on this resolution.

The Board recommends the resolution at Item No. 10 for approval by the members by way of an Ordinary Resolution.

Item No:-11

In terms of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') with effect from April 01, 2019, no listed Company shall appoint or continue the appointment of a Non-Executive Director, who has attained the age of 75 years, unless a special resolution is passed to that effect.

Mr. Sushil Solomon is not disqualified for continuing as a Director in terms of Section 164 of the Companies Act, 2013, and he has given his consent to continue as Non-Executive Independent Director post attaining the age of 75 years.

The Nomination & Remuneration Committee (NRC) at its meeting held on May 18, 2026, has provided its recommendation to the Board, and based on the recommendation of the NRC, the Board of Directors also approved and recommended to the members his continuation as Non- Executive Independent Director post attaining the age of 75 years. In compliance with the provisions of Section 17(1A) of the Listing Regulations, the resolution for the approval for continuation of Mr. Sushil Solomon as Non-Executive Independent Director post attaining the age of 75 years, with effect from 21.12.2026 for his remaining tenure up to 05.08.2029, is being placed before the members for their approval.

Continuation of Directorship Post 75 Years

The Board places on record its deep appreciation of the distinguished contributions of **Shri Sushil Solomon**, whose illustrious career spanning over **37 years** has been dedicated to advancing scientific research, academic guidance, and industry leadership in the field of **sugarcane and sugar technology**. His continued association is considered invaluable for the Company's growth and knowledge capital.

Dr. Solomon's stature as a globally recognized authority is evidenced by his receipt of numerous **international and national awards**, including

the *Friendship Award (China)*, *Jin Xiu Qui Award*, *Award of Excellence, Lifetime Achievement Award (2014)*, *Sinai University Peace Award*, *IAPSIT Global Award of Excellence (Egypt)*, *Indira Gandhi Purushkar (2013 & 2014)*, *Dr. Rajendra Prasad Award (2014) conferred by the Ministry of Agriculture, Government of India*, and the *Rajiv Gandhi Rashtriya Gyan Vigyan Puraskar (2014) conferred by the Hon'ble President of India*. He has also been honored with the *Hari Om Ashram Trust Award (ICAR)* and several other prestigious recognitions.

His professional affiliations as **Fellow of the Sugar Technologists Association of India, Fellow of the International Association of Professionals in Sugar & Integrated Technology, and Fellow of the Indian Society of Agricultural Biochemists** further underscore his eminence in the field. He has served as **President of the Society for Sugar Research and Promotion, Editor in Chief of Sugar Tech Journal, and Executive Editor of IAPSIT and Sugar Tech Newsletters**, thereby shaping academic and industry discourse at the highest level.

Dr. Solomon has successfully led and mentored several **national and international projects**, and has organized, coordinated, and participated in global symposia and conferences across India, China, Vietnam, Egypt, and Brazil. His leadership continues to inspire innovation and collaboration in the sugar industry.

In view of his unparalleled expertise, global recognition, and continuing ability to contribute meaningfully to the Company's strategic direction, the Board unanimously recommends the **continuation of his directorship beyond the age of 75 years**, in accordance with the provisions of the Companies Act, 2013, subject to shareholders' approval by way of a special resolution.

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.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name	Mr. Sushil Solomon
Age	74 years
Din	08553009
Date of first appointment on the Board	06.08.2019
Qualifications	Shri Sushil Solomon, an eminent researcher and distinguished educationist, was appointed as the 38th Vice Chancellor of C.S. Azad University of Agriculture and Technology, Kanpur. He earned his Ph.D. in Micro/Biochemistry (1978) from Punjab Agricultural University, Ludhiana, and subsequently completed a Post Graduate Diploma in Business Information Management (PGDBIM) from Datamatic School of Management, Mumbai. In addition to his academic leadership, Dr. Solomon has served as Director of the Indian Institute of Sugarcane Research (ICAR), Lucknow, where he contributed significantly to advancing research and development in the sugarcane sector.
Nature of Expertise & Experience	Shri Sushil Solomon has devoted over 37 years to advancing scientific research, teaching, and guiding the sugarcane and sugar industry. He has been honored with numerous international awards including the Friendship Award, Jin Xiu Qui Award, and IAPSIT Global Award of Excellence, as well as prestigious national recognitions such as the Indira Gandhi Purushkar, Dr. Rajendra Prasad Award, and Rajiv Gandhi Rashtriya Gyan Vigyan Puraskar conferred by the President of India. A Fellow of leading professional associations, he has held eminent positions including President of the Society for Sugar Research and Promotion and Editor in Chief of Sugar Tech Journal. Through his leadership in global conferences and national and international projects, Dr. Solomon has significantly shaped research, collaboration, and innovation in the sugar sector.
Skills and Capabilities	• Business Strategy, Brand Building and Leadership • Sales and Marketing • Strategic Planning • General Administration
Relationship with other Director/ Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Terms and conditions of appointment/ re-appointment:	It is proposed to continue Shri Sushil Solomon as an Independent Director of the Company for the remaining period for his second Term of Five (5) years which came in to effect from 03rd August, 2024, not liable to retire by rotation
Remuneration last drawn	NA
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.
Number of meetings of the Board attended during the financial year (2025-2026):	4
Directorships held in other companies	NA
Memberships/ Chairmanships of committees of other companies	NA
Memberships/ Chairmanships of committees of the Board of the Company	
Memberships/ Chairmanships of committees of other companies	NA
No. of shares in the Company	Nil

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name	Mrs. Naina Devi Jhunhunwala	Mr. Aditya Jhunhunwala	Mr. Sanjay Jhunhunwala	Mr. S. C. Aggarwala
Age	81 years	56 years	51 years	65 years
Din	01837824	01686189	01777954	02461954
Date of first appointment on the Board	18.05.2026	19.09.2015	19.09.2015	19.09.2015
Qualifications	She is an Arts graduate	He is a Commerce graduate	He is a Commerce graduate and has also completed his MBA from the University of Wales, Cardiff, UK	B.Sc. From National Sugar Institute.
Nature of Expertise & Experience	Mrs. Naina Devi Jhunhunwala, wife of Late L.K. Jhunhunwala, holds a Bachelor's degree in Arts from Kolkata. She brings with her over 35 years of extensive business experience, has served as Director in various organizations, and is widely recognized as a philanthropist and a successful entrepreneur.	He has about 35 years of business experience mainly in Sugar and Power. He is looking after the overall operations of the Company. He has also served as the president of Indian Sugar Mills association in past.	Mr. Sanjay Jhunhunwala is responsible for the overall operations of the Distillery Unit of the Company. He has more than 27 years of experience in the sugar industry and has implemented modern management techniques, which have proved immensely beneficial to the Company	Mr. Subhash Chandra Aggarwala 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 & 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 decisions, setting targets for outputs and ensuring their achievement. He is also involved in the planning and coordination of various departments of the organization
Skills and Capabilities	Industry Experience, Industry Knowledge,	Industry Experience, Industry Knowledge, Interpersonal Relations and Leadership	Industry Experience, Industry Knowledge, Interpersonal Relations and Leadership	Industry Experience, Industry Knowledge, Agri-Research & Development;
Relationship with other Director/ Key Managerial Personnel	She is related to Shri Aditya Jhunhunwala, Managing Director and Shri Sanjay Jhunhunwala, Jt. Managing Director	He is related to Smt Naina Devi Jhunhunwala, and Shri Sanjay Jhunhunwala, Jt. Managing Director	He is related to Smt Naina Devi Jhunhunwala, and Shri Sanjay Jhunhunwala, Jt. Managing Director	Not related to any Director / Key Managerial Personnel

Terms and conditions of appointment/ re-appointment:	Appointed as Whole Time Director designated with effect from 28.07.2026, Her office is liable to retire by rotation. She is entitled to receive remunerations as per the provisions of the Companies Act, 2013	Appointed as Whole Time Director designated as Managing Director with effect from 19th September, 2019. His office is liable to retire by rotation. He is entitled to receive remunerations as per the provisions of the Companies Act, 2013	Appointed as Whole Time Director designated as Joint Managing Director with effect from 19th September, 2019. He is entitled to receive remunerations as per the provisions of the Companies Act, 2013	Appointed as Whole Time Director designated as Executive Director cum- CEO of the company with effect from 19th September, 2019. He is entitled to receive remunerations as per the provisions of the Companies Act, 2013
Remuneration last drawn	-	Total Remuneration of Rs. 529.68 Lakhs for Financial Year 2025-2026.	Total Remuneration of Rs. 201.60 Lakhs for Financial Year 2025-2026.	Total Remuneration of Rs. 64.66 Lakhs for Financial Year 2025-2026
Remuneration proposed to be paid:	In terms of the Special Resolution Proposed to be passed in the 53rd AGM to be held on 28th July, 2026	In terms of the Special Resolution Proposed to be passed in the 53rd AGM to be held on 28th July, 2026	In terms of the Special Resolution Proposed to be passed in the 53rd AGM to be held on 28th July, 2026	In terms of the Special Resolution Proposed to be passed in the 53rd AGM to be held on 28th July, 2026
Number of meetings of the Board attended during the financial year (2025-2026):	-	4	3	4
Directorships held in other companies	1.)Benaras Inorganics Private Limited 2.)K M Vyapar Limited 3.)K M Plantations Private Limited 4.) Rameshwaram Properties Private Limited. Mariada Hospitality Private Limited, 6.Satyam Trade Centre Pvt Ltd. 7.Zar International Private Limited	1) KM Spirits and Allied Industries Limited 2) Pharmetro Life Sciences Private Limited 3) Sonar Casting Limited 4) K M Plantations Private Limited 5) Shri Shakti Credits Limited 6) Marvel Business Pvt Ltd 7) Avantika Tradelink Private Limited 8) Brilliant Barter Private Limited 9) Francoise Commerce Pvt Ltd 10) Jhunjhunwala Securities Pvt. Ltd. 11) Zar International Private Limited 12) H H Foundation 13) Indian Sugar Exim Corporation Ltd. 14) Nidhi Financial Services Pvt Ltd 15)K M Strategic Investments & Holdings Private Limited 16) K M Particle Boards Private Limited	1) Shri Shakti Credits Ltd., 2) Progressive Dealer Pvt. Ltd., 3) Promising Logistic Pvt. Ltd., 4) Jhunjhunwala Securities Pvt. Ltd., 5) Thermocraft (India) Pvt. Ltd., 6) Prakash Properties Pvt. Ltd., 7) Brahma Properties Pvt. Ltd., 8) KM Spirits And Allied Industries Limited 9) Marvel Business Pvt. Ltd., 10)Benaras Inorganics Private Limited	1.) Sonar Casting Limited
Memberships/ Chairmanships of committees of other companies	None	None	None	None
Memberships/ Chairmanships of committees of the Board of the Company	CSR Committee	Finance Committee	1. Stakeholders Relationship Committee 2- CSR Committee	1- Audit Committee 2. Finance Committee
Memberships/ Chairmanships of committees of other companies	None	Member of Audit Committee in Sonar Casting Ltd	None	None
No. of shares in the Company	18483348	5289242	2494600	0

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

**Place: Lucknow
Dated: 18.05.2026**

**Ritika Tandon
Company Secretary & Compliance Officer**



K.M. Sugar Mills Limited

Registered Office:

76, Eldeco Greens Gomti Nagar, Lucknow - 226010 (U.P.)
Phone: 0522-4079561/2308772

Corporate Office and Works:

Post Office Moti Nagar, District Faizabad-224 201 U.P. (India)
Tel. No.: (05278) 254 059, 254 173, Fax No.: (05278) 254 031
Email : cs@kmsugar.in Website : www.kmsugar.com