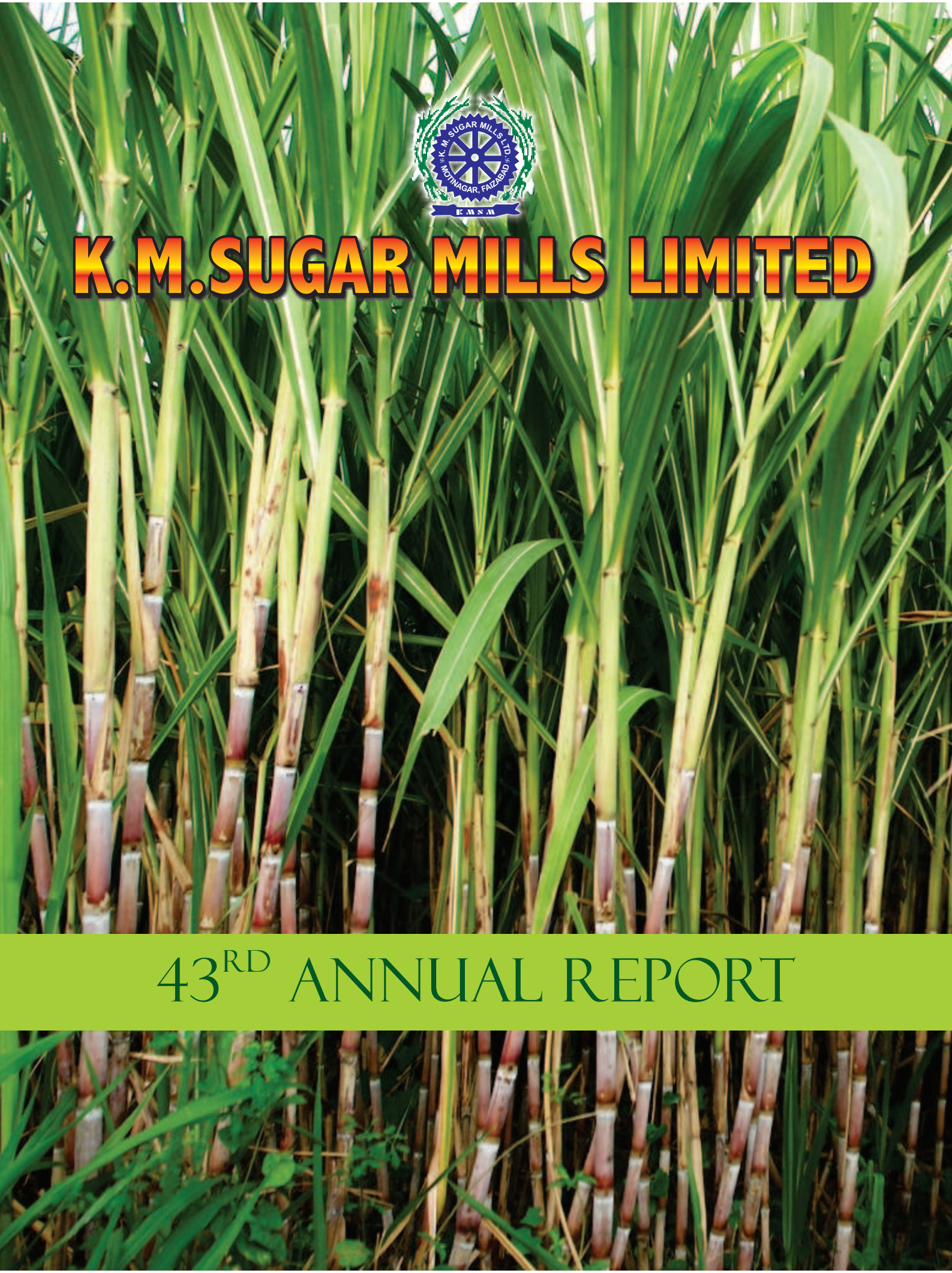

K.M.SUGAR MILLS LIMITED

43RD ANNUAL REPORT

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Forward Looking Statement

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

Request to Share holders

Shareholders are requested to intimate the company or to the RTA M/s Link Intime India Pvt. Ltd. about their mail id and change of their addresses.

Company Information

BOARD OF DIRECTORS

Chairman
Shri L. K. Jhunjhunwala

Whole Time Director
Shri Aditya Jhunjhunwala, Managing Director
Shri Sanjay Jhunjhunwala, Joint Managing Director
Shri Subhash Chandra Agarwal, Executive Director

Non Executive and Independent Director
Shri H. P. Singhania
Dr. Kirti Singh
Shri R. S. Shukla
Shri S. K. Gupta
Smt. Madhu Mathur

Nominee Director
Mr. A. K. Mishra (P.N.B.)

Company Secretary
Mr. Rajeev Kumar

Auditors
M/s. MEHROTRA & MEHROTRA,
Chartered Accountants,
C-561, DEFENCE COLONY,
NEW DELHI - 110024

Bankers
STATE BANK OF INDIA
PUNJAB NATIONAL BANK
FEDERAL BANK LTD.
ALLAHABAD BANK

Registered Office
11, Moti Bhawan, Collectorganj,
Kanpur - 208001 U. P.

Corporate Office & Works
Motinagar, Distt. Faizabad - 224201 (U.P.)

To,
The Members,

Your Directors have pleasure in placing the 43rd Director's Report along with the Audited Statement of Accounts for the year ended on 31st March, 2016.

Financial Performance

The Financial performance of the Company during the year ended 31st March 2016 as under :
(Rupees in Lacs)

	For the year ended as at 31st March,2016 (Rs.)	For 18months ended as at 31st March,2015 (Rs.)
Profit before interest, depreciation & tax	3550	3700
Less: Interest Depreciation	(1624) (930)	(1373) (1426)
Profit before tax	996	901
Provision for taxation (including FBT) Provision for taxation (deferred)	(50) 223	(103) (49)
Net Profit before extraordinary Items	1169	749
Add: Extra ordinary item	(0)	(0)
Net Profit	1169	749
Earning Per Share of Rs 2/- each	1.27	0.81

Overall Performance

For the year ended on 31st March, 2016, sales stood at Rs.35286.67(net of excise duty) against the Rs. 55044.84 Lacs (net of excise duty) of previous financial year ended as at 31-03-2015 (18 months ended on 31-03-2015). During the financial year under review, the company had done trading of sugar for Rs. 1726.35 lacs whereas during the preceding financial year sugar trading was Rs. 4893.65 lacs). Profit after interest and depreciation stood at Rs. 996 Lacs as against the profit of Rs. 901 Lacs in theprevious year. Profit after tax for the year ended March 31, 2016 was Rs.1169 Lacs compared to profit of Rs. 749 Lacs in the previous year.

Dividend

Due to accumulated losses your directors have not recommended any dividend for the financial year ended 31ST March 2016.

Transfer to reserves:

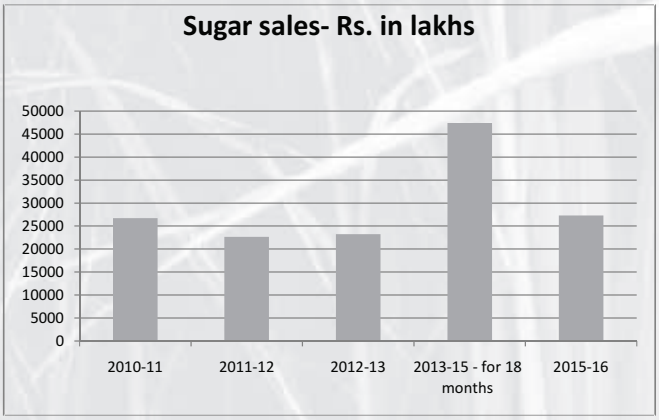
The entire surplus of Rs. 1169.02 lacs has been transferred to Reserve and Surplus.

Performance of Divisions:-

Sugar Division

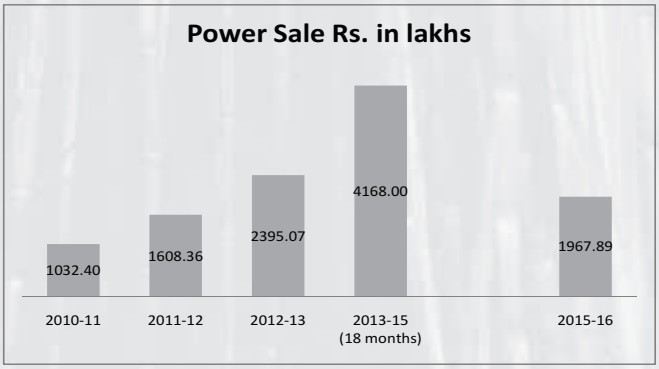
Crushing season till 31st March, 2016 consisted of sugar seasons of 2015. The company has crushed 74.69 Lacs qtls. of cane and the season ran for 105 days. Sugar sale was Rs.27297 lacs as against Rs.47441 lacs during the previous financial year ended for 18 months. The other details are as under:

	Year 31-03-2016	18 months ended 31-03-2015
Gross Working days	105	263
Total Cane Crushed (qtls.)	7468723	18348401
White sugar Produced (qtls)	769838	1708881
Average Recovery	10.30%	9.32%



Co-Generation :

During the crushing season reported the company produced 8,35,54,970 KWH power and exported 5,52,73,331 KWH to UPPCL. Power sale was Rs.1968 lacs as against Rs.4168 lacs.



Distillery

During the year ended as at 31-03-2016, Company Produced 100.50 Lacs BL of Rectified Spirit with a recovery of 20.55 % which is better in comparison of preceding year ended 31-03-2015 (18 months) production of 167.48 Lacs BL. with a recovery of 21.12% during preceding year ended 31-03-2015. Sale of RS and Country liquor were Rs.6462 lacs as against Rs.6375lacs .

Reference to BIFR Under Section 15 and Other Applicable provisions of the Chapter III of the Sick Industrial Companies (Special Provisos) Act , 1985

Due to erosion of the Net worth of the Company, the reference was registered with the Board for Industrial and Financial Reconstruction (BIFR) in terms of the provisions of the Sick Industrial Companies (Special Provisions) Act , 1985 on 28-02-2013 on the basis of audited accounts for the year ended 30th September,2012. The reference made with BIFR is still pending.

Auditors

M/s. Mehrotra&Mehrotra, Chartered Accountants, New Delhi, Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. They have furnished a certificate to the effect that their proposed reappointment, if made, will be in accordance within the limits specified u/s 139 of the Companies Act, 2013. Pursuant to the provisions of Section 139, 142 and other applicable provisions, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the existing Auditors can be re-appointed to hold office maximum up to the conclusion of 44th Annual general meeting of the Company, whereafter new Auditor shall be required to be appointed. Accordingly the Board propose for re-appointment of existing Auditors to hold office up to the conclusion of 44th Annual General Meeting for audit of financial statements for year ending at 31st March, 2017, subject to ratification their continuance by shareholders at annual general meeting.

Auditors' Report

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

Secretarial Auditors

M/s Amit Gupta & Associates, Practicing Company Secretaries were appointed as secretarial auditors of the Company for the year 2015-16 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for FY 2013-15 forms part of the Annual Report (Annexure to the Directors' Report in Form MR. 3) and carries no qualifications, reservations, adverse remarks or disclaimers and hence no explanations are required.

The Board has further appointed M/s Amit Gupta & Associates, Practicing Company Secretaries, as secretarial auditor of the Company for the financial year 2016-17.

Cost Auditors

The Central Government approved the appointment of M/s. AmanMalviya& Company, Cost Auditor, Lucknow as Cost Auditors for conducting Cost Audit for Sugar and Industrial Alcohol businesses for the year 31st March 2016, report of which shall be submitted in due course of time. The Board has approved their appointment for the year 2016-17 and their remuneration is subject to approval by the Company in the forthcoming Annual General Meeting.

Directors

At the ensuing Annual General Meeting Shri SanjayJhunjhunwala and Shri S.C. Agarwal, Directors of your Company, retire by rotation u/s 152 of the Companies Act, 2013 and being eligible, had offered themselves for re-appointment at the ensuing Annual General Meeting.

Public Deposits

During the financial year ended 31-03-2016, the company has not accepted any public deposits.

Listing Agreement

The equity shares of the company are listed with the

Bombay Stock Exchange Limited and National Stock Exchange Limitedand listing fees for 2016-17 had been duly paid.

Directors' Responsibility Statement

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

(i) that in the preparation of the annual accounts for year ended on March 31, 2016 the applicable accounting standard have been followed by the Company.

(ii) that the directors of the company have selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date.

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

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

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

(vi) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Significant and material orders

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

Audit committee and vigil mechanism

Pursuant to requirement of section 177(1) of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of Listing Agreement, your Company has already formed the Audit Committee, composition of which is covered under Corporate Governance report section of this Annual Report.

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

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

Extract of annual return

Extract of Annual Return of the Company is annexed herewith in form no. MGT-9 as Annexure 8 to this Report.

Internal financial controls

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.

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.

During the year, the Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in:

- Reviewing and approving the Company's Risk Management Policy so that it is consistent with the Company's objectives; and

- Ensuring that all the risks that the Company faces such as strategic, operational, financial, compliance and other risks are identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Risk Management Policy was reviewed and approved by the Committee. The policy on Risk Management has been uploadedon the Company's website at the link: http;//www.kmsugar.com

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

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

Corporate social responsibility

The Company constituted a Corporate Social Responsibility (CSR) Committee pursuant to the requirement of Section 135(1) of Companies Act, 2013. The CSR policy of the Company, interalia , list the activities that can undertaken or supported by the Company for CSR, composition and meetings of CSR committee, annual allocation for CSR activities, area of CSR projects, criteria for selection of CSR, modalities of execution / implementation of CSR activities and the monitoring mechanism of CSR activities / projections. During this year under report the company spent Rs. 20.52 Lacs towards CSR. The details of CSR activities undertaken by the company are mentioned in the prescribed format in the Annexure -4 to this report.

Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

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

Research and Development

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

Particulars of Employees

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

Corporate Governance

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

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the business and operations of the company is attached to this 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 subsidiary a company viz. M/s. K.M. Energy Private Limited, incorporated on 01-12-2014 for setting up of Solar Power Project. There was no operational activities during the period under review as the setting up of the plant is under progress. However, this company hadsurplus of Rs.1.91 lacs for the year ended 31-03-2016. Further, your Company had given a loan of Rs.285.00 lacs to it at interest @10% which had been converted into 9% Non cumulative Preference shares of Rs.10/- per share. In terms of proviso to section 139(3) of the Companies Act,2013, the salient features of the financial statements of the subsidiary is set out in the prescribed form (AOC-1) under Rule-5 of the Companies (Accounts) Rules, 2014 as Annexure 6 .

In accordance with section 129 (3) of the Act and regulation 34 of the SEBI (LOADR) Regu. 2015, the consolidated financial statements of the Company

include financial information of its subsidiary prepared in compliance with applicable Accounting Standards and form the part of Annual Report. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company.The Company will make available the annual report of subsidiary Company upon request by any shareholder of the Company interested in obtaining the same.

Number of meetings of the Board

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

Policy on directors' appointment and remuneration

The Company seeks to maintain an appropriate mix of executive and independent directors in order to maintain the independence of the Board and segregate the functions of governance and management. As at year end, the Board consists of 10 members, four of whom are Whole-time directors, five are Independent directors and one is a Nominee director. The Company has five independent directors and all are qualified personnel with requisite qualifications, experience, positive attributes and satisfy all the criteria as set out under Schedule IV of Companies Act, 2013. These Independent Directors are only eligible for sitting fees for attending Board meetings and Committee meetings and other out of pocket expenses duly made for attending meetings of the Board or any committee of the Board thereof. Remuneration proposed for whole time directors is in accordance with the Remuneration Policy approved by Nomination and Remuneration Committee of the Board.

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 ratify them, with or without modifications.

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 2 of this Board Report.

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 Clause 49 of the Listing Agreement.

Board evaluation

Pursuant to the requirement of the Companies Act, 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Act states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board as explained under the Corporate Governance section of this Annual Report. In a separate meeting of independent Directors, performance of non-independent directors was evaluated.

Committees of the Board

Currently, the Board has 4 nos of committees. A detailed note on the Board and its committees is provided in the Corporate Governance Report section of this Annual Report. The composition of the committees and compliances, as per applicable provisions of the Act and Rules, are as follows :

Particulars of Loans, Guarantee or Investments

As per the requirement of section 186(4) of Companies

Name of the committee	*Composition of the committee*	*Highlights of duties, responsibilities and activities*
Audit committee		• 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		• The Committee oversees and administers executive compensation. • All recommendations made by the committee during the year were accepted by the Board.
Stakeholders relationship committee		• The Committee reviews and ensures redressal of investor grievances. • The committee noted that no grievances of the investors have been reported during the year.
Corporate social responsibility committee		• The Board as laid down the Company's policy on Corporate Social Responsibility (CSR). • The CSR policy will be uploaded very soonon Company website, www.kmsugar.com

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 standalone financial statements. The Company is in compliance with the limits as prescribed under Section 186 of Companies Act, 2013 read with rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014.

Particulars of contracts or arrangements with Related Party

The Company's policy on related party transactions may be accessed on the Company's website at http://www.kmsugar.com.. Particulars of contracts or arrangements with Related Parties referred in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given Not to Accounts no.2.29-(12-D) also in Form AOC-2 as Annexure-7.

Material changes and commitments affecting financial position between the end of the financial year and date of report

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Acknowledgement

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

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

Sd/-
L. K. Jhunjhunwala
Chairman

Date: 12.08.2016
Place: Lucknow

Annexure 1

Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

Disclosure of particulars with respect to conservation of Energy

Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

Form A

Disclosure of particulars with respect to conservation of Energy

Annexure 'A'

Conservation of Energy, Technology Absorption and Foreign Exchange outgo

Particulars	Units	For the year ended 31-03-2016	18 months ended 31st March,2015 (Oct-13 to March-15)
Electricity			
Purchased Unit	Kwh	6.36	2.78
Total Amount (Rs. in Lacs)		60.75	26.06
Own Generation			
Through Diesel Generation	Kwh	0.09	0.02
Units per litre of Diesel		3.35	3.28
Cost per unit	Rs.	15.37	15.85
Through Steam Turbine*			
Units (in Lacs)	Kwh	614.65	1515.27
Unit per MT of fuel (Bagasse)		375.90	376.76
Cost per Unit	Rs.	4.25	4.22
*Excluding captive generation of plant turbine			

Form B

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

1.	**Specific areas in which R & D carried out by the Company**	**1-Co-gen Area** – Bagasse Drier **2-Boiling House**- Waste heat recovery unit (CIGAR) and use of NCG etc of evaporators **3. Mill Area-**Moisture reduction unit in 2 more mills and Replacement of steam turbine of Shreeder by 2.5 mw H.T motor.
2.	**Benefits derived as results of the above R & D**	**1-Co-gen** Area-Bagasse drier will reduce the moisture of bagasse from 48% to 38% i.e 10% which will increase the efficiency of boiler by 10% and will ultimately save the bagasse by 2.5% on cane. **2-Boiling house** –.installation of cigar and erection of system for waste vapour from NCG and chemical cleaning vapour utilization at evaporator will save 2% steam on cane and will save 1% bagasse on cane. **3- Mill Area – i)At mills we are going for more extraction of sugar from bagasse & reduction in moisture by 2% of bagasse after installation of moisture reduction unit in 2 more mills sought which will provide Bagasse saving equivalent to 0.25% on cane.** **ii)By replacement of Shredder steam turbine by 2.5mw H.T motor will produce 1.1 mwh more power to export.**
3.	**Further plan of action**	**1-Mill House Area**- I. Mill transmission system replacement by planetary drive. 2-Co-gen Area-i. Direct pumping of exhaust condensate to de-aerator in-place of boiler feed water tank. 3-.Boiling House Area- i. Making evaporator set quintuple inplace of quad. ii) Installation of continuous Pans.
4.	**Expenditure on R & D** **i) Capital** **ii) Recurring Expenditure** **iii) Total** **iv) Total R & D expenditure as a percentage of total turnover**	 **Rs. 1300.00 lacs (Approx.)** **Rs. 10.00 lacs (Approx.)** **Rs. 1310.00 Lacs** **3.65%**

I. Technology absorption, adaptation and innovation :

a) Efforts made : The steps taken and efforts made in the earlier years towards technology absorption, adaption and innovations in respect of latest technology were kept continued during the year under review.

b) New technology of moisture reduction at mills for more juice extraction and moisture reduction of Bagasse going to Boilers by 2% means from 50% to 48% and increase in juice ectraction by 0.1%.

c) New technology of extraction of flash vapour from hot condensate which was going to waste ,equipment used called CIGAR going to install in boiling house ,which ultimately save the steam by 1.4% on cane and ultimately will save the bagasse by 0.70% on cane. In boiling house we are going to use the waste heat of Non condensable gases and chemical boiling vapour going to atmosphere . This will save steam by 0.6% on cane which ultimately will save bagasse by 0.30% on cane.

d) New technology of moisture reduction of bagasse

going to boilers called Bagasse Drier which will reduce the moisture of bagasse from 48% to 38% ,will increase the efficiency of boilers by 10% and ultimately will save the bagasse by 2.5% on cane.

e) Benefits : The benefits were derived in the form of cost reduction and improvement in the quality of products, capacity of plant and working improved. Further improvement continuously be available to the Company.

i) Cogen

Due to reduction in Bagasse moisture, apart of bagasse saving there will be constant pressure in boiler which will improve the crush rate. Benefit Rs.4.0 crores per year.

ii) Boiling House

Cigar along with NCG and chemical vapour utilization will provide 2% steam saving that will give constant steam to the process for consistence performance which will ultimately improve the Sugar processing /quality. Benefit Rs.1.0 Crore per year.

iii) Mills

a) Moisture Reduction Unit will reduce the moisture of bagasse by 2% ultimately save the bagasse and extraction of more juice will improve the recovery.

b) The replacement of Shredder turbine by 2.5 MW HT Motor will generate 1.1 MW/hr. extra electricity.

Both combined benefit will be Rs.1.50 Crore.

Total saving will be Rs.6.50 Crores.

Particulars of technologies imported during the last 5 years :

a- Mills primary steam driven movers (Turbine) replaced by DC Drive electric motors with complete automation & DCS.

b- Variable frequency drives .

C- Direct contact heaters & plate type heat exchangers.

d. Rope way coupling at Mills.

e. Circulator at Pans.

g. Condensate cooling tower to reuse water in sugar processing in-place of ground water.

h. On line monitoring system at ETP and Air emission.

i. Moisture reduction unit at mills.

g. Grit cyclone for zero silica in Milk of lime.

II. ForeignExchange earnings & Outgo

i)	**Activities relating to exports initiative taken to increase exports**	**The Company made efforts to explore the foreign markets to export the sugar.**
ii)	Development of new export market for product and services and export plan	Efforts are being made to explore the foreign markets for consumer products including sugar
iii)	Total foreign exchange earnings (Rs. Lacs) –Recovery of Debtors	365.79
iv)	Used (Rs. Lacs)	35.12

Annexure 2

Information pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended September 30, 2013.

A. Employed throughout the financial year and were in receipt of remuneration in aggregate of not less than Rs. 60,00,000 per annum.

Sl	Name	Age Yrs	Designation	qualification	experience (in years)	Date of commence ment of employment	Remuneration Rs. In Lacs	Previous employme nt
				NIL				

A. Employed for part of the financial year and were in receipt of monthly Remuneration of not less than Rs. 5, 00,000.

Sl	Name	Age Yrs.	designation	qualification	Experience In yrs.	Date of Commence Ment of employment	Remuneratio n Rs. In Lacs	Previous Employment
				NIL				

For and on behalf of the Board

of K. M. Sugar Mills Ltd.

Sd/-

L. K. Jhunjhunwala

Chairman

Date: 12.08.2016

Place: Lucknow

Annexure 3

Report on Corporate Governance

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

This Report is furnished in terms of Regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 and Auditors' certificate on Corporate Governance as prescribed is also attached. Further, this Report also discloses relevant information in terms of Section 134(3) of the Companies Act, 2013 and forms an integral part of the Board's Report to shareholders.

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

1. COMPANY 'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

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

2. Board of Directors

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

Pursuant to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board members and Senior Management of the Company and the same will be uploaded very soonon the website of the Company (www.kmsugar.com). All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of the Company. As at 18 months ended on 31st March, 2015, the board consists of ten directors; out of which four are executive directors and five are non- executive directors and one Nominee Director. Executive directors consist of Chairman, Managing Director, Joint Managing Director and Executive Director. The present mix of the Board of the Company is as under:

- Three Promoters, Executive Directors
- One Independent, Executive Director
- Five Independent, Non- Executive Directors
- One Nominee, Non-Executive Director

The composition of the Board of Directors,as on 31st March, 2016, the number of other board of directors or Board committees of which they are member or chairperson and the attendance of each director at these board meetings and the last Annual General Meeting are as under :

Name of Director	Category	No. of other director ships (Public Limited Company)	No. of Board Meeting attends	Attendance at last AGM
1-Sh. L. K. Jhunjhunwala	Promoter, Executive	-	5	Yes
2-Sh.Aditya Jhunjhunwala	Promoter, Executive	2	4	No
3-Sh.Sanjay Jhunjhunwala	Promoter, Executive	2	5	Yes
4-Sh. S. C. Agarwal	Independent, Executive	-	2	No
5-Sh. H. P. Singhania	Independent, Non-executive	1	3	No
6. Dr. Kirti Singh	Independent, Non-executive	-	-	No
7. Sh. R. S. Shukla	Independent, Non-executive	-	3	No
8. Sh. S. K. Gupta	Independent, Non-executive	-	4	Yes
'9. Shri A.K. Mishra	Nominee-Non-Executive	-	2	No
'10. Mrs. MadhuMathur	Independent – Non-Executive	-	4	No

ii) Independent Directors

a) The Chairman is Executive and falls under Promoter category. The number of Independent Directors is one-half of the total strength. Any reduction in the strength of Independent Directors is filled within 3 months or the next Board meeting, whichever is later, for ensuring minimum stipulated strength of Independent Directors in the Board.

b) Independent directors are appointed for a tenure of 5 years taking into account the transitory provisions u/s 149(11) of the Act. They would be eligible for one more term on passing of a special resolution by members. No independent director of the Company serves in more than 7 listed companies as Independent Director.

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

d) All the Independent Directors have given the declarations pursuant to Section 149(7) of the Act affirming that they meet the criteria of independence as provided in sub section (6).

Board Procedure

The Board Meeting of the Company held at least once in each quarter in order to review the quarterly performance and the financial results. The intimation of the Board Meeting is given to the members of the Board at least seven clear days before the date of the Board Meeting in writing by mail / postal service / courier and over the phone as well as the agenda of the meeting and the relevant notes are sent to each director in advance and only in exceptional circumstances it is tabled at the meeting. All the items of agenda are accompanied with detailed notes providing information on the related subject.

All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/ decisions in the Board and Committee Meetings. All such matters are communicated to the Secretary in advance by the Departments /Divisions. Secretary segregates the matters that can be discussed and decided internally and the matters, which need to be put up before the board, in consultation with the Chairman, Managing Director and Joint Managing Director.

The information required, under SEBI (LOADR) Regulations, 2015, is regularly made available to the members of the Board in due time.

The members of the Board are informed at every meeting about the overall performance of the company during the quarter, which enable the Board to discharge their duties and responsibilities more efficiently. Apart from the matters statutorily requiring board's approval, all other major decision including policy formulation, capital expenditure budgets, new investments, compliance with statutory / regulatory requirements are also considered by the Board.

The Minutes of the Board Meeting are circulated to all the members of the board in advance and are confirmed at subsequent Board Meeting.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting.

In respect of Directors seeking re-appointment, the Notice for the Annual General Meeting contains all the relevant information.

During the year ended on 31st March, 2016 ,five Board meetings were held on 28.05.2015 ,11.08.2015, 28-09-2015 14.11.2015 and 12.02.2016. The details are as follows:-

Date of Board Meeting	Board Strength	Directors Present
28.05.2015	10	7
11.08.2015	10	6
28.09.2015	10	5
14.11.2016	10	7
12.02.2016	10	8

1. Board Committees

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

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

Audit Committee

The Audit Committee comprises of four directors out of which three are Non-Executive Independent Directors and one is Promoter - Executive Director. Mr. H. P. Singhania acts as the chairman to the Committee. The Company Secretary acts as the Secretary of the committee. The Chief Financial Officer, the External and Internal Auditors are the regular invitees. The Composition of the Audit Committee meets the requirement of the SEBI (LOADR) Regulations,2015 and the provisions of the Companies Act 2013.

The Composition of the Audit Committee :

Sl no.	Name of the Member	Position	Category
1	Mr. H. P. Singhania	Chairman	Non-Executive Independent Director
2	Mr. R. S. Shukla	Member	Non-Executive Independent Director
3	Mr. Sanjay Jhunjhunwala	Member	Promoter Executive Director
4	Mr. S. K. Gupta	Member	Non-Executive Independent 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 covers areas mentioned under SEBI (LOADR) Regulations, 2015 and section 177 of the Companies act, 2013 (hereinafter referred as "the act"). The Committee observes the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

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

Meetings and Attendance :

During the year ended on 31st March, 2016, four committee meetings were held on 28.05.2015, 11.08.2015, 14.11.2015 and 12.02.2016.

Sl no.	Name of the Member	Position	Number of meetings held	Number of Meetings Attended
1	Mr. H. P. Singhania	Chairman	4	3
2	Mr. R. S. Shukla	Member	4	3
3	Mr. Sanjay Jhunjhunwala	Member	4	4
4	Mr. S.K. Gupta	Member	4	4

Nomination and Remuneration Committee

The Remuneration Committee comprises of three directors, and all the three directors are non executive independent directors. Mr. H. P. Singhania acts as the chairman of the committee. During the year ended on 31st March, 2016 ,four committee meetings were held on 28.05.2015, 11.08.2015, 14.11.2015 and 12.02.2016. The details are as follows :

Sl no.	Name of the Member	Position	Number of meetings held	Number of meetings attended
1.	Mr. H. P. Singhania	Chairman	4	3
2.	Mr. R. S. Shukla	Member	4	3
3.	Mr. S. K. Gupta	Member	4	4

Remuneration Policy

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 paid to the non- executive directors is Rs. 5000/- for each Board meeting and Rs.2000/- for each Committee meeting attended by them.

Executive Directors

The executive directors are paid remuneration as decided and recommended by the Nomination and Remuneration Committeeto the Board of Directors. The remuneration package for the Chairman, Managing Director, Jt. Managing Director & Executive Directors is subject to the limit prescribed under the Companies Act, 2013.

The remuneration paid to the directors during the year ending on 31st March,2016 is given in form no. MGT-9 as Annexure -8.

Stake Holders' Relationship Committee

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

The Stake Holders' Relationship Committee looks after the cordial investor relations and oversees the mechanism for redressing of shareholders and investors complaints like non-receipt of Annual Report, non-receipt of declared dividend warrants and transfer of shares. Share transfers/transmissions are approved by the Share Transfer Agent 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, 2016 ,four committee meetings were held on 28.05.2015, 11.08.2015,14.11.2015 and 12.02.2016 . The details are as follows:

Sl no.	Name of the Member	Position	Number of meetings held	Number of meetings attended
1	Mr. H. P. Singhania	Chairman	4	3
2	Mr. R. S. Shukla	Member	4	3
3	Mr. S. K. Gupta	Member	4	4
4	Mr. Aditya Jhujhunwala	Member	4	3

Corporate Social Responsibility Committee:

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

During the year ended on 31st March, 2016, four committee meetings were held on 28.05.2015, 11.08.2015, 14.11.2015 and 12.02.2016. The details are as follows :

Sl no.	Name of the Member	Position	Number of meetings held	Number of meetings attended
1	Mr. L.K. Jhunjhunwala	Chairman	4	4
2	Mr. Sanjay Jhunjhunwala	Member	4	4
3	Mr. S. K. Gupta	Member	4	4

Circular Resolution

The Company did not pass any resolution by circulation during the year under review.

General Body Meeting

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

Day & Date: 28th September, 2016

Time: 11.00 AM

Venue: 11- Moti Bhawan, Collector Ganj, Kanpur-208001

Dates of Book Closure:

From 23rd September to 28th September, 2016, both days inclusive

The details of the last three Annual General Meetings are as follows :

Financial Year	Day & Date	Location	Time
2011-2012	22.03.2013	Kahana continental Coco cola Crossing Kanpur	11.00 AM
2012-2013	22.03.2014	Regd. Office- 11-Moti Bhavan, Collector Ganj, Kanpur-208001	11.00 a.m.
2013-15	19.09.2015	Regd. Office- 11-Moti Bhavan, Collector Ganj, Kanpur-208001	11.00 a.m.

Postal Ballot

No resolution was passed through postal ballot during the year under review.

Disclosures

a) **Related Party Transaction**

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 Accounting Standard 18 in Note no. 2.29 (11)of the Financial Statements.

b) **Disclosure of accounting treatment**

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.

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

d) There have been no instances of non-compliance, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Whistle Blower Policy

In pursuit to maintain the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting of instances of conduct which is not in conformity with its Code. The Company formulated a Whistle Blower policy wherein the employees are free to report violations of law, rules, regulations, unethical conduct, misuse of authority, financial irregularities etc. by way of e-mail directly to the Chairman of Stakeholder Relationship Committee. The whistle blowers may also have direct access to the Chairman of Audit Committee.

The Whistle blower policy aims at :

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

The Directors and Management personnel maintain confidentially of such reporting and ensure that the whistle blowers are not subjected to any discrimination.

No employee was denied access to the Audit Committee.

Compliance

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

Compliance with Corporate Governance Norms

The Company has complied with Mandatory requirements of the Code of Corporate Governance as Stipulated under Regulation 34 of SEBI (LOADR) Regulations,2015. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchange for the quarters ended30-06-2015, 30-09-2015, 31-12-2015 and 31-03-2016 on 04.07.2015, 06.10.2015, 09.01.2016 and 09.04.2016. The Statutory Auditors have certified that the company has complied with the Corporate Governance norms as stipulated by the Stock Exchanges under SEBI (LOADR) Regulations,2015.

Reconciliation of the Share Capital Audit

As Stipulated by Securities and Exchange Board of India (SEBI), a qualified 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 and is also placed before the Board of Directors.

Code of Conduct

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

Communication

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

Green initiatives in Corporate Governance

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

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

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

Listing on Stock Exchanges

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

Listing fees up-to the financial year ended 31-03-2016 has been paid to all the concerned stock exchanges by the Company.

Depositories :

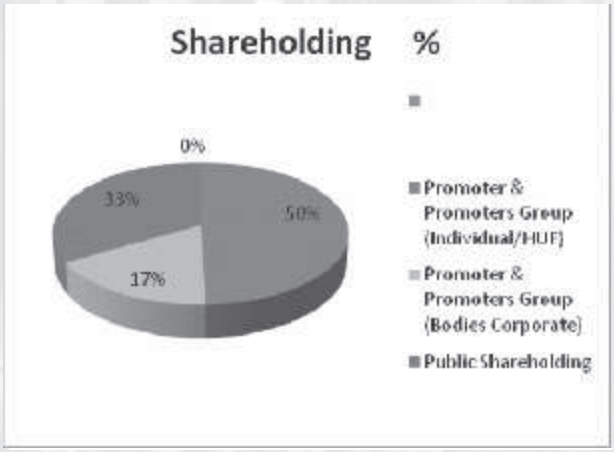
1. National Securities Depository Ltd., Trade Worlds, 4th floor, Kamala mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai – 400013	**2. Central Depository Services (India) Ltd.,** PhirozeJeejeebhoy Towers, 17th floor, Mumbai 400023
Compliance officer Mr. Rajeev Kumar, Company Secretary, 76-Eldeco Green, Gomti Nagar, Lucknow-226010 is Compliance Officer of the Company.	**Registrar & Share Transfer Agent** Link Intime (India) Pvt. Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai-400078

Stock Market Data

	Quotation at BSE			Quotation at NSE		
Month	**High**	**Low**	**Closing**	**High**	**Low**	**Closing**
April ,15	3.25	2.15	2.69	3.05	2.05	2.60
May,15	2.74	2.00	2.40	2.75	2.00	2.30
June, 15	2.49	1.86	2.10	2.45	1.70	2.05
July, 15	2.22	1.82	2.00	2.20	1.80	2.00
August, 15	2.80	1.65	2.06	2.70	1.80	2.00
September, 15	2.68	1.96	2.03	2.45	1.90	2.05
October, 15	5.23	2.02	4.80	4.90	2.00	4.90
November, 15	6.62	4.65	5.28	6.70	4.70	5.40
December,15	5.70	4.07	5.00	5.65	4.05	5.15
January, 16	7.01	4.81	5.31	6.95	4.85	5.35
February, 16	5.82	3.73	4.51	5.80	3.70	4.50
March, 16	7.66	4.65	7.11	7.60	4.70	7.00

Shareholding Pattern as at 31stMarch, 2016

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	17	45564762	45564762	49.53
Bodies Corporate	5	15679315	15679315	17.04
Sub Total	**22**	**61244077**	**61244077**	**66.57**
(2) Foreign	0	0	0	0
Total shareholding of Promoter and Promoter Group (A)	22	**61244077**	**61244077**	**66.57**
(B) Public Shareholding				
(1) Institutions				
Central Government / State Government(s)	1	1140	1140	0
Sub Total	**1**	**1140**	**1140**	**0**
(2) Non-Institutions				
Bodies Corporate	157	6783419	6783414	7.37
Individuals				
Individual shareholders holding nominal share capital up to Rs. 2 lakh	9084	16545950	165444825	17.98
Individual shareholders holding nominal share capital in excess of Rs. 2lakh	12	3300338	3300338	3.59
Any Others (Specify)	**283**	**2840418**	**2840418**	**3.09**
Non Resident Indians	75	198242	198242	0.21
Clearing Members	114	1086586	1086586	1.81
Sub Total	**9725**	**30754953**	**30753823**	**33.43**
Total Public shareholding (B)	**9726**	**30756093**	**30754963**	**33.43**
Total (A)+(B)	**9748**	**92000170**	**919999140**	**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)	**9748**	**92000170**	**919999140**	**100**



Notes:

Demat of Shares

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

Share Transfer System

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

Distribution of Shareholding

Category	No.of Share Holders	% of Total	Shares	% of Total
1-1000	6996	71.77	3353907	3.64
1,001-2000	1014	10.41	1656789	1.80
2001-5,000	1050	10.77	3634981	3.95
5,001- 10,000	327	3.35	2536790	2.76
10,001 & Above	361	3.70	80817703	87.85
TOTAL	**9748**	100.00	92,000,170	100.00

Plant Location

Unit :Sugar, Cogeneration, Distillery, District Faizabad, Uttar Pradesh.

Insider Trading

The Company had framed a Code of Conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code was applicable to all directors and designated employees. It is hereby affirmed that all directors and designated employees have complied with this code during FY 2015-16 and a confirmation to this effect has been obtained from them.

In terms of these Regulations, the Board in March 2015 in supersession of the earlier code formulated the:

i) Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information; and

ii) Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

This has been uploaded in the Company's website.

The trading window shall remain closed during the period when designated persons in terms of the Regulations can reasonably be expected to have possession of unpublished price sensitive information. In any event, the trading window shall remain closed between the seven trading day prior to the last day when results are required to be announced by the Company and the second trading day after the disclosure of such financial results.

The Company Secretary is designated as the compliance officer for this purpose. The Audit Committee monitors the adherence to various requirements as set out in the Code.

Related Party Transactions

The Board has formulated a Policy on Related Party Transactions (RPTs). It has also fixed the materiality threshold under this policy at 10% of its turnover as per the last audited financial statements. Transactions with a related party individually or taken together in a financial year crossing this 10% threshold would be considered material.

All RPTs during the year ended 31-03-2016 were on an arms-length basis and were in the ordinary course of business. They have been disclosed in deference to Accounting Standard 18 in Note 2.29(11) of the financial statements.

None of these transactions are likely to have a conflict with the Company's interest.

All RPTs have the approval of Audit Committee. Prior omnibus approval of the Audit Committee is obtained for the transactions that are non material and repetitive in nature.

The Company has Related Party Transactions on a continuing basis with promoters and other companies in which they are Directors at arm length and within specified limit u/s 188. These transactions have the approval of Audit Committee and Board obtained in respective meetings and not need shareholders' approval.

None of the directors has any pecuniary relationships or transactions other than the remuneration duly disclosed vis-à-vis the Company.

Risk Management

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

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

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

Whistle Blower Policy

In deference 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 (LOADR) Regulations, 2015, the Company has established a vigil mechanism overseen by the Audit Committee. This has been uploaded in the Company's website. No complaint under this facility was received during the period under review.

Anti-Sexual Harassment Policy

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

Other Compliances

i) **Management Discussion and Analysis**

Management Discussion and Analysis Report is made in conformity with SEBI (LOADR) 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 (LOADR) 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 dailiesnewpapers, 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 to Stock Exchanges in the prescribed format within 15 days for four quarters during 1st April,2015 to 31st March,16 from the close of each quarter.

(iv) **Online filing**

NEAPS - Quarterly reports to National Stock Exchange have been filed through NSE Electronic Application Processing System (NEAPS).

BSE :- Quarterly reports to Bombay Stock Exchange have been filed through BSE Listing Centre .

SCORES -SEBI requires all listed Companies to process investor complaints in a centralized web based complaint system called 'SEBI Complaints Redress System (SCORES). All complaints received from shareholders of listed Companies are posted in this system. Listed Companies are advised to view the complaint and submit Action Taken Report (ATR) with supporting documents in SCORES.

During the year, there were1 complaint on our Company posted at SCORES site.

(v) **Reconciliation of Share Capital Audit**

The Company submits quarterly Reconciliation of Share Capital Audit to Stock Exchanges on reconciliation of the total admitted capital with NSDL / CDSL and the total issued & listed capital submitted for quarter ended 30.06.2015, 30.09.2015, 31.12.2015 31.03.2016 on 17.07.2015, 19.10.2015, 25.01.2016 and 21.04.2016 respectively.

(vi) **Accounting treatment**

In the preparation of financial statements, no accounting treatment different from that prescribed in any Accounting Standard, has been followed.

(vii) **Cost Audit**

Pursuant to Section 148 read with the Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. AmanMalviya& Associates, Cost Accountants, Lucknow to undertake cost audit of the Company for year ended as at 31-03-2016. Their remuneration was approved by the Board. The due date for filing of Cost Audit Report forperiod is 30.09.2016.

- **Audit Qualification in Report --- Nil**

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

Pursuant to Section 204(1) of the Companies Act,

2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Amit Gupta & Associates, a Practicing Company Secretary- (C.P.No.4682) to undertake the Secretarial Audit of the Company for year ended as at 31-03-2016. The Secretarial Audit Report was placed before the Board on 12.08.2016 as per Annexure-10. 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 31-03-2016. The internal auditor reports directly to the Audit Committee.

(x) Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for year ended 31st March 2016 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 (LOADR) Regulations, 2015 stipulates that limited review / audit reports shall be given only by an Auditor who has subjected himself to the peer review process and holds a valid certificate issued by the Peer Review Board of the ICAI. The statutory auditors of the Company M/s. Mehrotra & Mehrotra, Chartered Accountant, New Delhi have undergone the peer review process and been issued requisite certificate that were placed before the Audit Committee.

Compliance with non-mandatory requirements

(i) Board - Chairman's office is separated from CEO. The Chairman is Executive and maintains an office at the Company's expense.

(ii) Shareholders' Rights

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

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

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

(iv) Audit Qualifications

The Company since inception has ensured to remain in the regime of unqualified financial statements. SEBI vide its circular dt.13th August 2012, has evolved a system to monitor audit qualification covered in Auditor's Report. Accordingly, listed companies while submitting Annual Report under Regulation 33(3)(d) of SEBI (LOADR) Regulations,2015 are required to submit Form A in case of Unqualified Auditor's Report and Form B in case of Qualified... / Subject to... / Except for... audit report. Stock Exchanges will initiate further steps as specified in the circular, in case of companies where Form B has been filed. Our Company has complied with this SEBI Circular while furnishing the Annual Reports for the financial year ended 31st March 2016 with the unmodified opinion of the in form-A.

Disclosures

(i) No strictures / penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.

(ii) No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and the Company's operations in future except those reported disputed matters in the Note no.2.29 (1)(a) Other Disclosures .

(iii) No loan or advance in the nature of loan was made during or outstanding at the close of the year to Associates or Firms/ Companies in which a director of the Company is interested.

Means of Communication

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

	Date of Publication of Notice of Board meeting	Financial Results		News paper
		Date of approval by Board	Date of Publication	
Quarter ended 30.06.2015 (Un-audited)	02.08.2015	11.08.2015	12.08.2015	Financial Express ; Rashtriya Sahara
Quarter ended 30.09.2015 (Un-audited)	31.10.2015	14.11.2015	15.11.2015	Financial Express ; Rashtriya Sahara
Quarter ended 31.12.2015 (Un-audited)	04.02.2016	12.02.2016	15.02.2016	Financial Express ; Rashtriya Sahara
Quarter and Year ended 31.03.2016 (Audited)	21.05.2016	30.05.2016	31.05.2016	Financial Express ; Rashtriya Sahara

* Publication arranged

The results published also show as footnote relevant additional information and/or disclosures to the investors. Financial results are emailed & courier to Stock Exchanges immediately after the conclusion of the Board meeting. A confirmation copy is sent by courier/ speed post.

Website

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

General Shareholder Information

Business Responsibility Report

SEBI has mandated by its circular dt.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 (LOADR) Regulations,2015 has been inserted in the Equity Listing Agreement for this purpose. Initially this has been made applicable for top 500 isted entities and our Company is not presently covered by this.

Company commitment

Our Company keeps constant track of prevalent practices among bellwether corporates towards formulating and fine tuning its responses to the emerging areas on Corporate Governance and responsible business. It continues to take affirmative steps for substantive compliance commensurate with its size, nature of business and governing structure.

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

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

I, L.K. Jhunjhunwala, Chairman of M/s. K.M. Sugar Mills Limited, hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed complied with the Code of conduct of Directors and Senior Management Personnel of the Company during the financial year 2015-16 and a confirmation to this effect has been obtained from them individually for the period under review.

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

Sd/-
L. K. Jhunjhunwala
Chairman

Date: 12.08.2016
Place: Lucknow

Annexure-4"
Report on CSR

The Company constituted the CSR Committee, which consists :

Shri L.K. Jhunjhuwala Chairman (Whole time Working Director)

Shri S.K. Gupta Member (Independent Director)

Shri Sanjay Jhunjhunwala Member (Joint Managing Director)

1. Further, The Company spent on CSR activities on the basis of average net profit of the Company for last three financial years: Rs. 539.75 lacs ;
2. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.10.80 lacs
3. Details of CSR spent for the financial year:
   a. Total amount spent for the financial year: Rs. 20.52 lacs
   b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the financial year is detailed below :

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) State & district where project or programs was undertaken	Amount outlay (budget) project or programs wise - Rs. in Lacs	Amount spent on the projects or programs Sub-heads: Rs. in Lacs
1.	Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	Under Sechdule VII of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 - i. Eradicating hunger, poverty & malnutrition, **promoting preventive health care & sanitation** & making available safe drinking water	U.P.- Lucknow- Aid to KGMC, Lucknow by installing ACs' for Child Cancer ward	10.80	20.52

3. Responsibility statement of the CSR Committee : CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Annexure-5"

Management Discussion and Analysis Report

Industry Facts :-

Sugar is one of world's major agro- based industries and is also one of the most actively traded soft commodities on the exchange

- More than 80 % of Sugar produced is from sugarcane while balance is from sugar beet.
- Top 5 sugar producers in the world, namely, Brazil, India, EU, China &Thailand , account for over 60 % of the total production .
- The global sugar prices have been seen high level of volatility and just reached to a level closer to the cost of production .
- India is the second largest producer of sugar in the world and its production in 2015-16 was 28 Million tonnes.
- Around 5 million hectares of land under sugarcane.
- 50 million cane farmers and their dependents.
- Around 700 sugar mills installed and 530 operational.
- India is World' s largest consumer of sugar and usually consume all sugar produced domestically about 62-65% of sugar consumed directly by bulk users.

Global Sugar Industry

Global scenario Sugar is one of the world's major agro-based industries and is also one of the most actively traded soft commodities on the exchanges. Brazil, India, the EU, China and Thailand rank amongst the top global producers of sugar. Around 80% of the sugar is produced from sugarcane while the balance is from sugar beet. Brazil and India are the largest sugar producers from sugarcane and EU and U.S are the major sugar producers from beet. India, the EU, China, Brazil and U.S are the major sugar consuming countries. Global trends in Sugar During the current five-year period, the Global Sugar Manufacturing industry has had to contend with unstable production and price levels. The adverse weather conditions and increasing diversion of sugar stocks to ethanol production reduced the production of sugar, inflating the world price of sugar. In 2012, the prices crashed due to high global production and unhealthy stocks-to-use ratio and continued to decrease throughout the period, pushing the revenue down. In the next five years, the sugar industry is expected to perform better due to rising demand for renewable energies, growing global sugar consumption and government policies. Annual Report 2015-16 prices, which determine the raw sugar-ethanol blend in major exporting countries like Brazil. In the medium term, lower sugar prices will boost consumption, but on the supply side, farmers are likely to shift to other crops, which in turn would reduce the sugar output, leading to a supply correction. However, with a decline in the output of major supplying nations including India and Brazil, and the resultant lower supplies to the world market, a supply deficit appears likely. Nevertheless, in the near to medium term, significant accumulated stocks would provide insulation from any sharp spikes in international sugar prices.

Indian Sugar Industry

The domestic Production in 2015-16 is expected to be 27 million tonnes (mt) against 28.8 mt in 2014-15, with a drop of 1.1 million tonnesand sugarcane acreage at 5.28 million hectares is 0.4% less than last year. Lower

production along with exports brought down the closing stocks to around 7.6 million MT in SY2016 from around 9.5 million MT in SY2015. The estimated decline in sugar stocks was a positive sign resulted in an improvement in domestic sugar realizations since August 2015.Sugar production in India is expected to fall 6% this financial year due to lower sugarcane output in Maharashtra and Karnataka.

While the largest sugar producing state of Maharashtra saw almost the same acreage compared to last year (1.05 million hectare), production in the state is expected to dip by over 14% from 10.5 mt in 2014-15 to 9 mt in 2015-16, due to poor rainfall.

However, Uttar Pradesh, India's second-largest sugar producing State, is expected to increase its output from 7.1 MT last year to 7.5 MT in 2015-16, due to conducive weather in cane growing areas, and likely better recovery of sugar due to planting of improved cane varieties.

The Government also took a series of measures viz. compulsory export of sugar linked to the Cane Subsidy, hike in import duty of sugar, abolition of the Duty Free Import Authorization Scheme, Interest Subvention scheme, subsidy for sugar exports, direct subsidy to farmers, remunerative prices for ethanol procurement and waiver of excise duties on ethanol to further incentivize ethanol supplies for the Ethanol Blending Program. All these steps were taken by the Central Government with a view to improve the cash flows of sugar mills so that the Mills would be in a position to make cane payments to sugarcane farmers in time. This also improved the general sentiments in the Industry and had a positive impact on the sugar price during Q4 of the Financial Year2015-16.

The ability of the industry to secure a linkage between cane price and sugar realizations is critical for its long-term sustainability. Unless such linkage is established as per the report of the Dr. Rangarajan committee and as implemented by the states of Karnataka/ Maharashtra with the Central Government support for any difference between such price and the FRP is holistically adopted, the sugar cane cost will remain a cause of concern for the Industry. Sugar Price The sugar prices touched a three-year low of around ` 20,000/- to `23,000/MT in July 2015 caused by consecutive years of surplus production from SY2013 leading to surplus sugar in the domestic market along with the international sugar-surplus scenario and muted international sugar prices. However, since August 2015 the sugar realizations are on a rising trend with prices increased marginally to around ` 24,000/ MT in August 2015 with the government considering the option of exporting surplus sugar. However, going forward, despite lower sugar production during SY2016, the sustainability of the upward trend in sugar prices remains critical on the sugar exports for SY2016 season as well as expectations on production figures for SY2017. Over the medium term, international sugar prices will be largely determined by fluctuations in world sugar production as well as crude oil.

INDUSTRY SCENARIO

Cane management is the most indispensable part of the whole sugar manufacturing process. It is said “Sugar is produced in the field and extracted in the factory”. This makes Cane management, the most important part of the Sugar Industry.

The Uttar Pradesh Government retained the State Advised Cane Price (SAP) to the range of Rs.275/- to Rs.290/- per quintal. The U.P. Government retained the cane prices at Rs.280/- per quintal during the season 2015-16cane remains high. However, The U.P. Government announced a financial assistance to the extent of correlated with sugar price to reduce the loss to the sugar mills.The Central Government came out with loan assistance to the Sugar Mills for clearance of dues of cane growers, which would not be enough for the survival of the Sugar Industry.

Government Policies

The Government also took a series of measures viz. compulsory export of sugar linked to the Cane Subsidy, hike in import duty of sugar, abolition of the Duty Free Import Authorization Scheme, Interest Subvention scheme, subsidy for sugar exports, direct subsidy to farmers, remunerative prices for ethanol procurement and waiver of excise duties on ethanol to further incentivize ethanol supplies for the Ethanol Blending Program. This also improved the general sentiments in the Industry and had a positive impact on the sugar price during Q4 of the Financial Year2015-16. The

government notified the mandatory export quota for SY2016, domestic sugar prices firmed around ` 25,500/MT in September 2015. Festive demand for sugar during the months of October and November 2015 led to an increase in sugar prices to nearly ` 26,000/MT in October 2015 and to nearly ` 26,700/MT in November 2015.

Government hikes import duty on sugar

The Government hiked the import duty on sugar to 40 per cent from 15 per cent to curb inflow of cheaper sweetener, a move that could see a rise in sugar prices.

Govt. notifies Cane subsidy

The announcement of cane production subsidy in December 2015, the expected increase in sugar exports and the sugar deficit scenario due to drought have combined to cause sugar prices to firm up to ` 31,000/MT in February 2016 and to ` 31,600/MT in March 2016.

Trend in Sugar Industry Trade

Despite the estimated decline in domestic sugar production, production may marginally outstrip domestic consumption by around 0.3 million MT. The decline in production is mainly driven by severe drought in the sugar producing States like Maharashtra and Karnataka, which impacted sugar cane availability. The production in Maharashtra is estimated to decline by 20% to around 8.4 million MT. In UP, production during SY2016 is estimated at similar levels to that in the previous year. In Karnataka, weaker monsoons are expected to negatively impact sugar production, while production is expected to marginally increase in Tamil Nadu.

The ability of the industry to secure a linkage between cane price and sugar realizations is critical for its long-term sustainability. Unless such linkage is established as per the report of the Dr. Rangarajan committee. However, going forward, despite lower sugar production during SY2016, the sustainability of the upward trend in sugar prices remains critical on the sugar exports for SY2016 season as well as expectations on production figures for SY2017. Over the medium term, international sugar prices will be largely determined by fluctuations in world sugar production as well as crude oil 6 prices, which determine the raw sugar-ethanol blend in major exporting countries.The long-term profitability of Indian sugar companies will remain highly cyclical and dependent on domestic and international supplydemand trends. The latter in turn would hinge on agro-climatic conditions in the major sugar producing countries and the trends in crude oil prices. The price trends in the international markets will be one of the key determinants of the future profitability.However, the sugar industry players with high operating efficiencies, forward integration and strong capital structure will be best placed to ride out the cycles.

Power Sector

Cogeneration Co-generation is the concept of producing two forms of energy from one fuel. One of the forms of energy must always be heat and the other may be electrical or mechanical energy. Cogenerated power has environmental benefits in terms of replacing fossil fuels and is also renewable in nature. For a sugar mill, opting for cogeneration of power has the advantages of getting an additional stream of revenue by selling electricity to the consumer through power grids. The power produced through co-generation substitutes the conventional thermal alternative and reduces greenhouse gas emissions. In India, interest in high-efficiency bagasse based cogeneration started in the 1980s when electricity supply started falling short of demand. High-efficiency bagasse cogeneration was perceived as an attractive technology both in terms of its potential to produce carbon neutral electricity as well as its economic benefits to the sugar sector. In the present scenario, where fossil fuel prices are shooting up and there is a shortage and non-availability of coal, co-generation appears to be a promising development. The thrust on distributed generation and increasing awareness for cutting greenhouse gas emissions increases the need for cogeneration. Also it helps in controlling pollution from fossil fuels.

Ethanol Sector

The Central Government is very much keen to enhance the blending of ethanol from 5% to 10% with petrol across the country procured at market. In order to give boost to ethanol blending program, the State Oil Firms (OMC) have decided to procure for the year 2015-16 at the price of Rs. 49/-per liter. The company was awarded bid for supply of ethanol pursuant to the OMCs had invited bid for ethanol from the domestic and international suppliers for blending with petrol during the year 2015-16.

SWOT ANALYSIS:

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

Strengths and Opportunities

i) The promoters are in this line for over 4 decades and are having good experience of the line.

ii) Company has integrated Sugar Plant, alongwith distillery and Co -Generation situated in the sugarcane-rich Indian State of U.P.

iii) Company has integrated facilities to produce sugar and also has ability to Process Raw Sugar.

iv) Company Produces Ethanol, Power which enhances the Revenue of the Company.

Weaknesses and Threats

i) Though de-licensed, sugar industry remains a highly regulated industry with the acts and orders through which government regulates the sugar Industry.

ii) Sugarcane being an agricultural commodity, its availability is dependent on vagaries of monsoon.

iii) Non availability of sugar cane may adversely affect the sugar mills as well as cogeneration power plants.

iv) Sugar Industry has political intervention.

v) Steep decline in sugar price may adversely affect the sugar mills.

CAUTIONARY STATEMENT

The management discussion and analysis report contains your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Your Company's operation may inter-alia be affected by the supply and demand situations, input price and the availability, changes in the government regulations, tax laws and other factors. The Company cannot guarantee the accuracy of the assumptions and perceived performance of the Company in future.

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

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

1. We have examined the compliance of conditions of Corporate Governance by K M Sugar Mills Limited (“the Company”), for the year ended on March 31, 2016, as stipulated in:
   - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015;
   - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015;
   - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016; and
   - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant

records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 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, 2016.

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
Sd/-
Amit Gupta
Proprietor
Membership No. : F5478; C.P. No. 4682

Date: 12.08.2016
Place: Lucknow

CEO and CFO Certification

We, S. C. Agarwal , CEO and A K 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, 2016 , and that based on our knowledge and belief :-
   (i) these statements do not contain any materially untrue statements or omit to state any material fact or contain statements that might be misleading; and
   (ii) these statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

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

(C) We along with Company's other certifying officers accept responsibility for establishing and maintaining internal controls and that we have:-
   (i) evaluated the effectiveness of the internal control systems of the Company; 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 along with Company's other certifying officers, have indicated to the auditors and the Audit Committee of the Company, the following:-
   (i) significant changes in internal control 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 company's internal control system.

Date: 11-08-2016 Sd/- Sd/-
Place: Lucknow **S C Agarwal** **A K Gupta**

Annexure 6 Board's Report
FORM NO. AOC-1

Statement containing salient features of the Financial Statement of subsidiary

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

Part 'A'

Sl. No.	Particulars	M/s. K.M. Energy Pvt. Limited
1	Reporting period of the subsidiary	01.04.2015 to 31.03.2016
2	Reporting currency	Indian Rupees in lacs
3	Share Capital	242.15 lacs
4	Reserve & Surplus	670.66 lacs
5	Total Assets	1042.07
6	Total Liabilities	1042.07
7	Investments	0.00
8	Turnover	34.57
9	Profit before tax	1.91
10	Provision for tax	0.00
11	Profit after tax	1.91
12	Proposed Dividend	0.00%
13	% of shareholding	99.63%

For and on behalf of the Board of Directors
L.K. Jhunjhunwala
(Chairman)

Date: 12.08.2016
Place: Lucknow

Annexure 7 Board's Report

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 arms length transactions under third proviso there to

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

NIL

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

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements / transactions

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

(e) Justification for entering into such contracts or arrangements or transactions

(f) date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

As details given in Note no.2.29(11)

(Rs. in Lacs)

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

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

(c) Duration of the contracts / arrangements / transactions : 01-04-2015 to 31-03-2016

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

i. The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms.

Sl no.	Nature of transaction/ Name of the related party	Subsidiary	Key Managerial Personnel (KMP)	Enterprises over which KMP and their relatives have substantial interest / significant influence	Total Current Year (Previous Period)
i.	**Inter-Corporate loan given**				
	K M Energy Pvt. Ltd.	- (285.00)	- (-)	- (-)	- (285.00)
ii.	**Investment made**				
	K M Energy Pvt. Ltd.	285.00 (0.73)	- (-)	- (-)	285.00 (0.73)
iii.	**Interest receipt on loan**				
	K M Energy Pvt. Ltd.	28.50 (3.28)	- (-)	- (-)	28.50 (3.28)
iv.	**Remuneration including PF**				
	Shri L K Jhunjhunwala	- (-)	40.32 (45.91)	- (-)	40.32 (45.91)
	Shri Aditya Jhunjhunwala	- (-)	20.45 (24.34)	- (-)	20.45 (24.34)
	Shri Sanjay Jhunjhunwala	- (-)	20.29 (24.34)	- (-)	20.29 (24.34)
	Shri S. C. Agarwal	- (-)	18.37 (22.20)	- (-)	18.37
	Shri Rajeev Kumar	- (-)	9.50 (14.03)	- (-)	9.50 (14.03)
	Shri Arvind Kumar Gupta	- (-)	12.30 (17.41)	- (-)	12.30 (17.41)
v.	**Sugar sold**				
	Sri Shakti Credits Ltd.	- (-)	- (-)	4557.00 (98.50)	4557.00 (98.50)
vi.	**Rent paid**				
	Sri Shakti Credits Ltd.	- (-)	- (-)	5.40 (8.10)	5.40 (8.10)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (1.71)	1.14 (1.71)
vii.	**Advance given / Repaid**	- (-)	- (-)		
	Arvind Kumar Gupta	- (-)	5.00 (-)	- (-)	5.00 (-)
	Sri Shakti Credits Ltd.	- (-)	- (-)	- (25.00)	- (25.00)
	Shailja Properties Pvt. Ltd.	- (-)	- (-)	0.21 (-)	0.21 (-)
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	- (3.13)	- (3.13)

viii.	**Advance received back**				
	Sri Shakti Credits Ltd.	- (-)	- (-)	- (79.31)	- (79.31)
ix.	**Balance outstanding**				
	a. Inter Corporate Loan receivable				
	K M Energy Pvt. Ltd.	- (285.00)	- (-)	- (-)	- (285.00)
	b. Interest receivable				
	K M Energy Pvt. Ltd.	28.60 (2.95)	- (-)	- (-)	28.60 (2.95)
	c. Amount receivable				
	Sri Shakti Credits Ltd.	- (-)	- (-)	365.18 (-)	365.18 (-)
	d. Loans payable				
	Shri L K Jhunjhunwala	- (-)	31.00 (31.00)	- (-)	31.00 (31.00)
	Shri Aditya Jhunjhunwala	- (-)	61.50 (61.50)	- (-)	61.50 (61.50)
	Shri Sanjay Jhunjhunwala	- (-)	61.50 (61.50)	- (-)	61.50 (61.50)
	e. Amount payable				
	Shri L K Jhunjhunwala	- (-)	13.28 (17.39)	- (-)	13.28 (17.39)
	Shri Aditya Jhunjhunwala	- (-)	20.60 (11.90)	- (-)	20.60 (11.90)
	Shri Sanjay Jhunjhunwala	- (-)	23.72 (15.54)	- (-)	23.72 (15.54)
	Shri S. C. Agarwal	- (-)	1.49 (1.08)	- (-)	1.49 (1.08)
	Sri Shakti Credits Ltd.	- (-)	- (-)	- (1.44)	- (1.44)
	Zar International Pvt. Ltd.	- (-)	- (-)	- (3.42)	- (3.42)
	Shailja Properties Pvt. Ltd.	- (-)	- (-)	- (0.21)	- (0.21)

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 are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

(e) Date(s) of approval by the Board, if any: **This has been reviewed and recommended by the Audit Committee and also approved by the Board in their meetings. The approval of the shareholders is not required the transactions are within the prescribed limit u/s 186.**

(f) Amount paid as advances, if any :

For and on behalf of the Board of Directors
L.K. Jhunjhunwala
(Chairman)

Date: 12.08.2016
Place: Lucknow

Annexure 8 Board's Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i) CIN	L15421UP1971PLC003492
ii) Registration Date	17.12.1971
iii) Name of the Company	M/s. K.M. Sugar Mills Limited
iv) Category / Sub-Category of the Company	Public Limited Company-Limited by Shares
v) Address of the Registered office and contact details	Regd. Office : 11- Moti Bhavan, Collector Ganj, Kanpur-208002, Phone no. 0522-2310762
vi) Whether listed company	Yes- BSE / NSE
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Pvt. Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai-400078 Phone no. 022 - 6171 5400

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Sugar	10721	77%
Rectified Spirit /Ethanol	11019	18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	**K.M. Energy Private Limited**	U40300UP2004PTC067293	**Subsidiary**	**99.63**	**2(46)**

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity

Category of Shareholder	Nos. of shares at the beginning of the year 01.04.2015				Nos. of shares at the end of the year 31-03-2016				% of change
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoter									
'1- Indian									
a- Individuals/ Hindu Undivided Family	45581189	0	45581189	49.54	45564762	0	45564762	49.53	0.01
b- Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
c- Bodies Corporate									
d- Financial Institutions/ Banks	15679315	0	15679315	17.04	15679315	0	15679315	17.04	0.00
e- Any Others(Specify)	0	0	0	0	0	0	0	0	
Sub Total(A)(1)	0	0	0	0	0	0	0	0	
	61260504	0	61260504	66.58	61244077	0	61244077	66.57	-0.01
2. Foreign									
a- Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	
b- Bodies Corporate	0	0	0	0	0	0	0	0	
c-Institutions	0	0	0	0	0	0	0	0	
d- Any Others(Specify)	0	0	0	0	0	0	0	0	

Sub Total(A)(2)	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**61260504**	**0**	**61260504**	**66.58**	**61244077**	**0**	**61244077**	**66.57**	**-0.01**
B- Public shareholding									
1- Institutions									
a- Mutual Funds/ UTI									
b- Financial Institutions / Banks									
c- Central Government/ State Government(s)	1140	0	1140	0	1140	0	1140	0	
d- Venture Capital Funds									
e- Insurance Companies									
f- Foreign Institutional Investors									
g- Foreign Venture Capital Investors									
h- Any Other (specify)									
Sub-Total (B)(1)	1140	0	1140	0	1140	0	1140	0	
B-2- Non-institutions									
a- Bodies Corporate	4954673	5	4954678	5.39	6783419	5	6783419	7.37	1.98
b- Individuals									
'i- Individuals shareholders holding nominal share capital up to Rs2 lakh	16008479	1025	16009504	17.40	16545950	1025	16545950	17.98	0.58
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	8830928	0	8830928	9.60	3300338	0	3300338	3.59	-6.01

c- Other (specify)									
foreign Investors	0	0	0	0	0	0	0	0	
Clearing House/Public Trust	422333	0	422333	0.46	3927004	0	3927004	4.26	3.80
Non- Resident Indians (Repat)	477996	0	477996	0.52	137164	0	137164	0.15	-0.37
Non Resident Indians (Non Repat)	43087	0	43087	0.05	61078	0	61078	0.07	0.02
Sub-Total (B)(2)									
B- Total Public Shareholding (B)=	30737496	1030	30738526	33.41	3075823	1030	3075823	33.43	0.02
(B)(1)+(B)(2)	30738636	1030	30739666	33.42	30754963	1030	30754963	33.43	0.01
C- Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	91999140	1030	92000170	100.00	91999140	1030	9200017010	100.00	0

(ii)Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 31-03-2015			Share holding at the end of the year-31-03-2016			
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Marvel Business Private Limited AABCM7231K	12450951	13.53		12450951	13.53		**0**
2	Laxmi Kant Dwarka Das AAAHL9403N	10065900	10.94		10065900	10.94		**0**

3	Prakash Chandra Jhunjhunwala AAKPJ4437C	9946600	10.81		9946600	10.81		**0**
4	LaxmikantJhunjhunwala AEJPJ8858H	5602600	6.09	6.09	5602600	6.09	6.09	**0**
5	UmadeviJhunjhunwala ABQPJ7823H	4456500	4.84		4433300	4.82		**-0.02**
6	Naina Devi Jhunjhunwala AANPJ0921A	4168955	4.53	4.53	4168955	4.53	4.53	**0**
7	Praksash Chandra Jhunjhunwal(HUF)	3825900	4.16		3825900	4.16		**0**
8	Aditya Jhunjhunwala AANPJ0923C	3704200	4.03	4.03	3704200	4.03	4.03	**0**
9	KM Vyapar Private Limited AAACK5991M	2283364	2.48		2283364	2.48		**0**
10	Sanjay Jhunjhunwala AANPJ9747L	2494600	2.71	2.71	2494600	2.71	2.71	**0**
11	Jhunjhunwala securities private Limited	500000	0.54		500000	0.54		**0**
12	VatsalJhunjhunwala AGHPJ6163E	450000	0.49		450000	0.49		**0**
13	VridhiJhunjhunwala AMWPJ0962E	450000	0.49		450000	0.49		**0**
14	KM Plantations Private Limited AAACK5695A	25000	0.03		25000	0.03		**0**
15	Francoise commerce Private Limited	420000	0.46		420000	0.46		**0**
16	Vridhi Trust	188780	0.20		188780	0.20		**0**
17	Shivam Trust	120549	0.13		120549	0.13		**0**
18	Madhu Prakash Jhunjhunwala	61857	0.07		61657	0.07		**0**
19	Vatsal Trust	49721	0.05		49721	0.05		**0**
	Total	**61260504**	**66.59**	**17.37**	**61244077**	**66.57**	**17.37**	**-0.02**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the shareholder	Shareholding		Date of transfer	Nos. of shars	Cumulative Shareholding during the year	
	Nos. of shares	**% of total share of the Company**			**Nos. of shares**	**% of total share of the Company**
UMADEVI JHUNJHUNWALA	**4449527**	**4.8364**			4449527	4.8364
Transfer			17 Apr 2015	(6000)	4443527	4.8299
Transfer			24 Apr 2015	(4000)	4439527	4.8256
Transfer			12 Jun 2015	(100)	4439427	4.8255
Transfer			19 Jun 2015	(5000)	4434427	4.8200
Transfer			30 Jun 2015	(2000)	4432427	4.8178
Transfer			31 Jul 2015	(1000)	4431427	4.8168
Transfer			27 Nov 2015	(1090)	4430337	4.8156
Transfer			08 Jan 2016	3	4430340	4.8156
Transfer			22 Jan 2016	571	4430911	4.8162
Transfer			29 Jan 2016	185	4431096	4.8164
Transfer			19 Feb 2016	2969	4434065	4.8196
Transfer			11 Mar 2016	(765)	4433300	4.8188
AT THE END OF THE YEAR					**4433300**	**4.8188**
MADHU PRAKASH JHUNJHUNWALA	**61857**	**0.0672**			61857	0.0672
Transfer			07 Aug 2015	(300)	61557	0.0669
Transfer			14 Aug 2015	(2400)	59157	0.0643
Transfer			04 Sep 2015	(41137)	18020	0.0196
Transfer			18 Sep 2015	41137	59157	0.0643
Transfer			22 Jan 2016	1000	60157	0.0654
Transfer			29 Jan 2016	1500	61657	0.0670
AT THE END OF THE YEAR					**61657**	**0.0670**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRsand ADRs):

Sr No.		Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	V.I.P. GROWTH FUND PVT.LTD	1522133	1.6545			1522133	1.6545
	Transfer			20 Nov 2015	(80000)	1442133	1.5675
	Transfer			27 Nov 2015	(5000)	1437133	1.5621
	Transfer			08 Jan 2016	(24501)	1412632	1.5355
	Transfer			18 Mar 2016	(25000)	1387632	1.5083
	Transfer			25 Mar 2016	(50000)	1337632	1.4539
	Transfer			31 Mar 2016	(25000)	1312632	1.4268
	AT THE END OF THE YEAR					1312632	1.4268
2	AMIT JASANI FINANCIAL SERVICES PVT LTD	0	0.0000			0	0.0000
	Transfer			30 Oct 2015	323006	323006	0.3511
	Transfer			06 Nov 2015	(258506)	64500	0.0701
	Transfer			13 Nov 2015	65000	129500	0.1408
	Transfer			20 Nov 2015	(100000)	29500	0.0321
	Transfer			04 Dec 2015	54648	84148	0.0915
	Transfer			11 Dec 2015	(59648)	24500	0.0266
	Transfer			18 Dec 2015	35152	59652	0.0648
	Transfer			25 Dec 2015	(45352)	14300	0.0155
	Transfer			31 Dec 2015	(11800)	2500	0.0027
	Transfer			15 Jan 2016	78229	80729	0.0877
	Transfer			22 Jan 2016	(77029)	3700	0.0040
	Transfer			29 Jan 2016	14041	17741	0.0193
	Transfer			19 Feb 2016	479138	496879	0.5401
	Transfer			26 Feb 2016	151665	648544	0.7049
	Transfer			04 Mar 2016	206798	855342	0.9297
	Transfer			11 Mar 2016	(145133)	710209	0.7720
	Transfer			18 Mar 2016	419233	1129442	1.2277
	Transfer			25 Mar 2016	78537	1207979	1.3130
	Transfer			31 Mar 2016	(17826)	1190153	1.2936
	AT THE END OF THE YEAR					1190153	1.2936
3	MANISH PATODIA (HUF)	1099208	1.1948			1099208	1.1948
	Transfer			08 Jan 2016	(5000)	1094208	1.1894
	AT THE END OF THE YEAR					1094208	1.1894

4	KENNETH ANDRADE	0	0.0000			0	0.0000
	Transfer			30 Oct 2015	297221	297221	0.3231
	Transfer			06 Nov 2015	100001	397222	0.4318
	Transfer			20 Nov 2015	100000	497222	0.5405
	Transfer			11 Mar 2016	275000	772222	0.8394
	AT THE END OF THE YEAR					772222	0.8394
5	EDELWEISS BROKING LTD	30446	0.0331			30446	0.0331
	Transfer			10 Apr 2015	60	30506	0.0332
	Transfer			17 Apr 2015	1000	31506	0.0342
	Transfer			24 Apr 2015	95	31601	0.0343
	Transfer			01 May 2015	(95)	31506	0.0342
	Transfer			12 Jun 2015	(30)	31476	0.0342
	Transfer			26 Jun 2015	(13725)	17751	0.0193
	Transfer			17 Jul 2015	1000	18751	0.0204
	Transfer			07 Aug 2015	(3700)	15051	0.0164
	Transfer			28 Aug 2015	639	15690	0.0171
	Transfer			04 Sep 2015	(669)	15021	0.0163
	Transfer			18 Sep 2015	(1311)	13710	0.0149
	Transfer			25 Sep 2015	60	13770	0.0150
	Transfer			30 Sep 2015	650	14420	0.0157
	Transfer			09 Oct 2015	(150)	14270	0.0155
	Transfer			16 Oct 2015	325	14595	0.0159
	Transfer			23 Oct 2015	(490)	14105	0.0153
	Transfer			30 Oct 2015	2480	16585	0.0180
	Transfer			06 Nov 2015	(2200)	14385	0.0156
	Transfer			13 Nov 2015	14485	28870	0.0314
	Transfer			20 Nov 2015	(529)	28341	0.0308
	Transfer			27 Nov 2015	(7171)	21170	0.0230
	Transfer			04 Dec 2015	(5100)	16070	0.0175
	Transfer			18 Dec 2015	(2000)	14070	0.0153
	Transfer			25 Dec 2015	2250	16320	0.0177
	Transfer			31 Dec 2015	(2250)	14070	0.0153
	Transfer			15 Jan 2016	2217	16287	0.0177
	Transfer			22 Jan 2016	(2417)	13870	0.0151
	Transfer			29 Jan 2016	(500)	13370	0.0145
	Transfer			05 Feb 2016	178454	191824	0.2085
	Transfer			12 Feb 2016	209795	401619	0.4365
	Transfer			19 Feb 2016	358722	760341	0.8265
	Transfer			04 Mar 2016	(250)	760091	0.8262
	Transfer			11 Mar 2016	(250)	759841	0.8259
	Transfer			18 Mar 2016	(56506)	703335	0.7645
	Transfer			25 Mar 2016	3899	707234	0.7687
	Transfer			31 Mar 2016	(170)	707064	0.7685

	AT THE END OF THE YEAR					707064	0.7685
6	JEEVANJYOTI INFOTECH PRIVATE LIMITED	665176	0.7230			665176	0.7230
	AT THE END OF THE YEAR					665176	0.7230
7	FRONTLINE DEALCOMM PRIVATE LIMITED	536776	0.5835			536776	0.5835
	AT THE END OF THE YEAR					536776	0.5835
8	NALIN DALAL (HUF)	569400	0.6189			569400	0.6189
	Transfer			20 Nov 2015	(29400)	540000	0.5870
	Transfer			27 Nov 2015	(2760)	537240	0.5840
	Transfer			04 Mar 2016	(140000)	397240	0.4318
	Transfer			11 Mar 2016	(10000)	387240	0.4209
	AT THE END OF THE YEAR					387240	0.4209
9	ASHISH PATODIA	381445	0.4146			381445	0.4146
	Transfer			25 Sep 2015	381445	762890	0.8292
	Transfer			30 Sep 2015	(381445)	381445	0.4146
	AT THE END OF THE YEAR					381445	0.4146
10	GULSHAN INVESTMENT COMPANY LTD	380512	0.4136			380512	0.4136
	AT THE END OF THE YEAR					380512	0.4136
11	VISHWANATH M PUJARI	500000	0.5435			500000	0.5435
	Transfer			25 Sep 2015	500000	1000000	1.0870
	Transfer			30 Sep 2015	(500000)	500000	0.5435
	Transfer			30 Oct 2015	(200000)	300000	0.3261
	Transfer			29 Jan 2016	(17341)	282659	0.3072
	Transfer			18 Mar 2016	(188000)	94659	0.1029
	Transfer			31 Mar 2016	(30303)	64356	0.0700
	AT THE END OF THE YEAR					64356	0.0700
12	KUNAL RAKESH AGGARWAL	1845000	2.0054	2.0054		1845000	
	Transfer			25 Sep 2015	1845000	3690000	4.0109
	Transfer			30 Sep 2015	(1845000)	1845000	2.0054
	Transfer			12 Feb 2016	(810659)	1034341	1.1243
	Transfer			19 Feb 2016	(1034341)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	MOTILAL OSWAL FINANCIAL SERVICES LIMITED	490000	0.5326			490000	0.5326
	Transfer			06 Nov 2015	2000	492000	0.5348
	Transfer			20 Nov 2015	(233)	491767	0.5345
	Transfer			27 Nov 2015	(423)	491344	0.5341
	Transfer			04 Dec 2015	(1344)	490000	0.5326
	Transfer			31 Dec 2015	2000	492000	0.5348
	Transfer			08 Jan 2016	(2000)	490000	0.5326
	Transfer			19 Feb 2016	(490000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	DR MRS SUSHMA MEHROTRA	421425	0.4581			421425	0.4581
	Transfer			07 Jul 2015	(421425)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. L.K. Jhunjhunwala				
	At the beginning of the year as at 01-10-2013	5602600	6.09	6.09	5602600
	At the End of the year	5602600	6.09	6.09	5602600
2	Sh. Aditya Jhunjhunwala				
	At the beginning of the year as at 01-10-2013	3704200	4.03	3704200	4.03
	At the End of the year	3704200	4.03	3704200	4.03
3	Shri Sanjay Jhunjhunwala				
	At the beginning of the year as at 01-10-2013	2494600	2.71	2494600	2.71
	At the End of the year	2494600	2.71	2494600	2.71

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment- **(Rs. in lacs)**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14411.18	164.41	-	14575.59
ii) Interest due but not paid	82.89	-	-	82.89
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14494.07	164.41		14658.48
Change in Indebtedness during the financial year				
GGAddition	1755.01	-	-	1755.01
GGReduction	(6062.55)	-	-	(6062.55)
Net Change	4271.54			4271.54
Indebtedness at the end of the financial year				
i) Principal Amount	9307.63	164.41	-	9472.04
ii) Interest due but not paid	272.48	-	-	272.48
iii) Interest accrued but not due	642.42	-	-	642.42
Total (i+ii+iii)	10222.53	164.41	-	10386.94

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Sh. L K Jhunjhunwala	Sh. Aditya Jhunjhunwala	Sh. Sanjay Jhunjhunwala	'* Sh. S. C. Agarwal	
1.	Gross salary (a) Salary as per rovisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section7(3)Incometax Act, 1961	3600000 - -	1800000 29424 -	1800000 13010 -	1800000 173946 -	9000000 216380 -
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-	-
5.	Others, please specify-P.F.	432000	216000	216000	21600	885600
	Total (A)	4032000	2045424	2029010	1995546	10101980
	Ceiling as per the Act					10967000

'* Shri S.C. Agarwal is CEO of the Company also.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		H. P Singhania	R S Shukla	S K Gupta	Smt. Madhu Mathur	
	1.Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	33000	33000	52000	20000	138000
	Total (1)	33000	33000	52000	20000	138000
	2. Other Non-Executive Directors Fee for attending board /committee meetings Commission Others, please specify	A.N. Mishra, Nominee 5000 0				5000
	Total (2)	0	0	0	0	5000
	Total(B)=(1+2)	38000	33000	52000	20000	143000
	Total Managerial Remuneration	38000	33000	52000	20000	143000
	Overall Ceiling as per the Act	0	0	0	0	1096700

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		1230041	950008	2180049
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify				
	Total	0	1230041	950008	2180049
	Ceiling as per the Act				

'* Shri S.C. Agarwal, who is Executive Director of the Company is also the CEO of the Company. The details of remuneration paid to CEO is mentioned in category (A) alongwithRemuneration to Managing Director, Whole-time Directors and /or Manager.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board of Directors

L.K. Jhunjhunwala
(Chairman)

Date: 12.08.2016
Place: Lucknow

Annexure - 9 to Board's Report

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

(Amt. In Lakhs)

Name(s) of Whole time Directors	*Designation*	*Remuneration -year ended 31-03-2016 (In Rs.)*	*Remuneration – year ended 31-03-2015 (In Rs.)*	*% increase in remuneration **	*Ratio of remuneration to median remuneration of employees*	*Ratio of the remuneration to Net Profit year ended 31-03-2016*
Shri L.K. Jhunjhunwala	Whole Time Director	40.32	45.91	- 12%	22.75:1.00	0.03:1.00
Shri Aditya Jhunjhunwala	Mg. Director	20.45	24.34	-16%	11.54:1.00	0.02:1.00
Shri Sanjay Jhunjhunwala	Jt. Mg. Director	20.29	24.34	-17%	11.45:1.00	0.02:1.00
Shri S.C.Agarwal	Exe. Director-cum- CEO	19.95	22.20	-10%	11.26:1.00	0.02:1.00

'*The figures are not comparable as the figures for the previous year's ended on 31-03-2015 are for 18 months due change in the financial year. The current year's figures are for 12 months for the year ended 31-03-2016.

(Amt. In Lakhs)

Name(s) of Independent Directors	**Remuneration – Year ended 31-03-2016 (In Rs.)**	**Remuneration in year 18 months ended 31-03-2015 (In Rs.)**	**% increase in remuneration**
Sh. H.P. Singhania	0.33	0.43	-
Sh. R.S. Shukla	0.33	0.41	-
Sh. S.K. Gupta	0.52	0.51	-
Dr. Kirti Singh	0.00	0.10	-
Ms. Shruti Modi	-	-	-
Mrs.MadhuMathur	0.20	-	-

No increase in sitting fee during the year under review.

(Amt. in Lakhs)

Name of Non-Executive Director	*Remuneration - (In Rs.)**	*Remuneration in year 18 months ended 31-03-2015 (In Rs.)*	*% increase in remuneration*
Sh. P.N. Mathur	-	0.30	-
Sh. A.K. Mishra	0.05	-	-

No increase in sitting fee during the year under review.

(Amt. In Lakhs)

Name of KMP	*Remuneration – Year ended 31-03-2016 (In Rs.)**	*Remuneration in 18 months ended 31-03-2015 (In Rs.)*	*% increase in remuneration*	*Ratio of the remuneration to Net Profit for the year ended 31-03-2016*
Sh. Arvind Gupta	12.30	17.41	-29.00	0.01:1.00
Sh. Rajeev Kumar	9.50	14.03	-34.00	0.01:1.00

* The figures are not comparable

A) Statement of particulars of remuneration as perRule 5(1)

Sl No.	Description		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Shri L.K. Jhunjhunwala 22.75:1.00 Shri Aditya Jhunjhunwala11.54:1.00 Shri Sanjay Jhunjhunwala11.45:1.00 Shri S.C.Agarwal 11.26:1.00	Note-1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Chairman-cum-Director -12.00% Managing Director -16.00% Joint Managing Director -17.00% Executive Director –cum-CEO -10.00% CFO -29.00% CS -34.00%	Note-4
3	The percentage increase in the median remuneration of employees in the financial year	5.5%	
4	The number of permanent employees on the rolls of company	203	
5	The explanation on the relationship between average increase in remuneration and company performance	Salary increase 2% Company performance Profit Before Tax Rs. 9.01crores	Note-2
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	KMP increase Executive Director –cum-CEO -10.00% CFO -29.00% CS - 34.00% Company performance Profit Before Tax Rs. 9.01 crores	Note-3

<table>
<tr><td>7</td><td>Variations in the market capitalisation 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</td><td>
<table>
<tr><td>Particulars</td><td>Unit</td><td>As at 31-03-2016</td><td>As at 31-03-2015</td><td>Variation</td></tr>
<tr><td>Closing rate at NSE</td><td>Rs.</td><td>7.00</td><td>2.10</td><td>+ 233%</td></tr>
<tr><td>EPS Consolidated</td><td>Rs.</td><td>1.27</td><td>0.81</td><td>+ 57%</td></tr>
<tr><td>Market Capitalization</td><td>Rs./ lacs</td><td>6440</td><td>1932</td><td>+ 233%</td></tr>
<tr><td>Price Earning Ratio</td><td>Ratio</td><td>5.51</td><td>2.59</td><td>+113%</td></tr>
</table>
</td><td>Note-3</td></tr>
<tr><td>8</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</td><td>Average percentile increase in the salary of employees other than managerial persons 5.00%</td><td>Note-5</td></tr>
<tr><td>9</td><td>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company</td><td>Executive Director –cum-CEO CEO -10.00%
CFO -29.00%
CS - 34.00%
Company performance
Profit Before Tax Rs. 9.01 crores</td><td>Note-4</td></tr>
<tr><td>10</td><td>The key parameters for any variable component of remuneration availed by the directors</td><td>Executive Directors
i) Incentive of annual salary as decided by Boardno the recommendation of Nomination-cum-Remuneration Committee. Nil
ii) In the event of loss or inadequacy of profits in any financial year, incentive shall be restricted to of annual salary as mentioned in section 197 read with Schedule V.
iii) Non executive directors Commission is restricted to one percent of the net profit – No commission in years of no profit.</td><td></td></tr>
<tr><td>11</td><td>The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</td><td>NIL</td><td></td></tr>
<tr><td>12</td><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td>Yes. Remuneration is as per the remuneration policy of the company.</td><td></td></tr>
</table>

Notes:

1. All other directors (Independent and Nominee) were paid only sitting fee for attending the meetings of the Board and Committees thereof.
2. 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.
3. The company did not come out with Public Offer.
4. No Executive Directors' remuneration revised during the year under review.
5. The figures are not comparable as the figures for the previous year's ended on 31-03-2015 are for 18 months due change in the financial year. The current year's figures are for 12 months for the year ended 31-03-2016.

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion

i. The company has, during the audit period covering the financial year ended on 31st March, 2016complied with the statutory provisions listed hereunder and also;
ii. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable as the Company has not made any such transaction during the financial year under review ;**
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. 15.05.2015);
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **not applicable as the Company has not made any public offer of securities during the period under review;**
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not granted any options during

the financial year under review

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **not applicable as the Company has not issued any listed debt securities during the period under review;**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **- Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009**– Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **- Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange Limited. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however we have noted delay in sending agenda papers in few cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that thesystems and processesin the companyrequire further strengtheningand improvements, considering the size and operations of the company to enableeffective monitoring and ensuring of compliance with applicable laws, rules, regulations and guidelines.

We further report thatduring the audit period the company has: (i) Approved the special resolution in 42nd Annual General Meeting held on 19th September, 2015 for delegation of borrowing powers and creation of charge on assets of the Company up to an amount not exceeding Rs. 700 crores.

(ii) Adopted new set of Articles of Association of the Company by passing special resultion at at 42nd Annual General Meeting held on 19th September, 2015.

For Amit Gupta & Associates
Company Secretaries
Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682
Date: 12.08.2016
Place: Lucknow
Note: This report should be read with the letter of even dateby the Secretarial Auditors.

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

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

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

For Amit Gupta & Associates
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682

Date: 12.08.2016
Place: Lucknow

Independent Auditor's Report

To
The Members of K.M. Sugar Mills Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of K.M. Sugar Mills Ltd. (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the 'the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 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"; and
   (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company has disclosed the impact of pending litigations on financial position in its financial statements - Refer Para 1 of Note 2.29;
      ii. Provision has been made in the financial statements, as

required under the applicable law or accounting standards for 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 Company.

For **Mehrotra & Mehrotra**
Chartered Accountants
(FRN - 0226C)

Sanjay K. Rai
Partner
(M. No. 507946)

Place : Lucknow
Date : 30th May, 2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of K.M. Sugar Mills Ltd. for the year ended 31st March, 2016, we report that :

(i) In respect of its fixed assets:

(a) The Company has generally maintained records to show particulars, including quantitative details and situation of fixed assets but its updation is in progress;

(b) The fixed assets covering significant value were physically verified during the year by the Management at such intervals which in our opinion, provides for the physical verification of all the Fixed Assets at reasonable intervals having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of company.

(ii) According to the information and explanations given to us, the inventories have been physically verified by the management to the extent practicable at reasonable intervals during the year and as explained, there was no material discrepancies noticed on such verification.

(iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to a company covered in the register maintained under Section 189 of the Companies Act, 2013.

(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.

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

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

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

According to the information and explanations given to us, no undisputed dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they become payable.

(b) However, 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	Amount (Rs. in lacs)	Period to which pertain	Forum where dispute is pending
Entry Tax Act	Entry Tax	1.34	2012-13	Addl. Commissioner (Appeal), Faizabad
Income Tax Act	Income Tax	7198.21	2009-10	Commissioner of Income (Appeals), Kanpur
	Income Tax	7460.05	2010-11	
	Income Tax	8087.76	2011-12	
	Income Tax	8555.32	2012-13	
Central Excise Act	Service Tax	11.46	2004-06	Joint Commissioner, Lucknow
	Service Tax	2.01	2006-07	CESTAT, New Delhi
	Cenvat Credit	461.01	2006-07	CESTAT, New Delhi
	Excise Duty	16.09	2007-08	CESTAT, New Delhi
	Cenvat credit	27.94	2008-10	CESTAT, New Delhi
	Cenvat credit	1.06	2009-10	Commissioner (Appeal), Lucknow
	Excise Duty	2212.55	2007-12	CESTAT, New Delhi
	Excise Duty	455.68	2012-13	CESTAT, New Delhi
Total		34490.48		

*Net of amounts paid in protest

(viii) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has defaulted in repayment of loans / borrowings to the financial institution, bank, Government or a debenture holder as per details given here-under :

Name of Bank/Institution	Amount overdue as on 31.03.2016	Default is on payment of	Defaults period
Sugar Development Fund (Central Govt. of India)	1485.00 lacs	Principal	05.03.2011 to 05.03.2015
	243.29 lacs	Interest	05.03.2015 to 05.03.2016

(ix) According to the information and explanations given to us, the Company has raised money by way of term loans during the year and to the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which those were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to our information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

For **Mehrotra & Mehrotra**
Chartered Accountants
(FRN - 0226C)

Sanjay K. Rai
Partner
(M. No. 507946)

Place : Lucknow
Date : 30th May, 2016

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of K.M. Sugar Mills Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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, 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 2016, 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 - 0226C)

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

Place : Lucknow
Date : 30th May, 2016

Balance Sheet as at 31st March, 2016

(Amount in Rs.)

PARTICULARS	Notes No.	Current Year As at 31-March-2016 Rs.	P.	Rs.	P.	Previous Year As at 31-March-2015 Rs.	P.	Rs.	P.
I. EQUITY AND LIABILITIES									
1. Shareholders' Funds									
(a) Share Capital	2.1	184,000,340.00				184,000,340.00			
(b) Reserves & Surplus	2.2	104,559,552.08		288,559,892.08		(8,030,229.84)		175,970,110.16	
2. Non-current liabilities									
(a) Long term borrowings	2.3	327,412,858.65				342,130,932.65			
(b) Deferred tax liabilities (Net)	2.4	15,415,568.00				37,762,292.00			
(c) Other Long term liabilities	2.5	2,246,321.85				2,246,321.85			
(d) Long term provisions	2.6	207,826,080.00		552,900,828.50		141,529,079.00		523,668,625.50	
3. Current liabilities									
(a) Short term borrowings	2.7	364,404,875.31				905,220,267.54			
(b) Trade payables	2.8	949,895,700.95				1,248,579,693.96			
(c) Other current liabilities	2.9	541,414,422.06				408,348,873.01			
(d) Short term provisions	2.10	2,231,595.00		1,857,946,593.32		2,755,873.00		2,564,904,707.51	
Total				2,699,407,313.90				3,264,543,443.17	
II. ASSETS									
Non-current assets									
1. (a) Fixed Assets	2.11								
(i) Tangible Assets		614,161,202.64				648,380,852.69			
(ii) Intangibile assets		220,649.82				605,349.94			
(iii) Capital Work-in-Progress		1,666,085.15		616,047,937.61		4,857,358.00		653,843,560.63	
(b) Non current investments	2.12	29,594,300.00				1,094,300.00			
(c) Long term loans and advances	2.13	57,695,429.10				10,405,079.59			
(d) Other non current assets	2.14	1,788,543.82		89,078,272.92		1,788,543.82		13,287,923.41	
2. Current Assets									
(a) Inventories	2.15	1,551,559,467.74				1,918,644,389.93			
(b) Trade receivables	2.16	266,657,853.63				316,880,636.37			
(c) Cash and cash equivalents	2.17	84,872,885.88				40,548,189.82			
(d) Short term loans and advances	2.18	59,330,100.32				156,572,717.96			
(e) Other current assets	2.19	31,860,795.80		1,994,281,103.37		164,766,025.05		2,597,411,959.13	
Total				2,699,407,313.90				3,264,543,443.17	
				-				-	
Significant accounting policies	1								
Notes on financial statements	2								

As per our report of even date attached hereto
FOR MEHROTRA & MEHROTRA
Chartered Accountants
F.R. No.0226C

For and on behalf of the Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

Place: Lucknow
Date: 30.05.2016

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Profit & Loss Account...

Statement of Profit & Loss for the year ended on 31st March, 2016

PARTICULARS	Notes No.	Current Year: Year ended 31st March, 2016 Rs. P.	Current Year: Rs. P.	Previous Year: 18 months ended 31st March, 2015 Rs. P.	Previous Year: Rs. P.
I. **Revenue from operations (Gross)**	2.20	3,648,717,880.59		5,690,558,151.39	
Less: Excise duty and cess		120,050,759.00		186,073,938.00	
Revenue from operations (net)			3,528,667,121.59		5,504,484,213.39
II. Other Income	2.21		60,707,626.02		71,060,051.42
III. Total Revenue (I + II)			3,589,374,747.61		5,575,544,264.81
IV. **Expenes**					
Cost of material consumed	2.22		2,038,052,811.80		5,035,076,427.22
Purchase of Stock in trade	2.23		188,891,250.00		447,690,277.00
Change in inventory of finished goods, work in progress and stock in trade	2.24		377,252,961.00		(1,098,228,982.00)
Employee benefits expenses	2.25		93,340,689.44		145,409,327.37
Finance costs	2.26		168,456,813.53		141,366,457.95
Depreciation and amortization expense	2.27		93,002,456.67		142,648,682.91
Other expenses	2.28		530,757,658.98		671,446,166.97
Total expenses			3,489,754,641.42		5,485,408,357.42
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			99,620,106.19		90,135,907.39
VI. Exceptional items			-		-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)			99,620,106.19		90,135,907.39
VIII. Extraordinary item			-		-
IX. Profit/(Loss) before tax (VII-VIII)			99,620,106.19		90,135,907.39
X. Tax expense					
(1) Current Tax			5,064,547.00		10,317,324.00
(2) Deferred Tax			(22,346,724.00)		4,926,819.00
XI. Profit/(Loss) for the year (IX-X)			116,902,283.19		74,891,764.39
XII. Earning per equity share (Nominal value of Rs.2 each)					
(1) Basic (Rs. Per share)			1.27		0.81
(2) Diluted (Rs. Per share)			1.27		0.81
Significant accounting policies	1				
Notes on financial statements	2				

As per our report of even date attached hereto
FOR MEHROTRA & MEHROTRA
Chartered Accountants
F.R. No.0226C

For and on behalf of the Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

Place: Lucknow
Date: 30.05.2016

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Cash Flow Statement for the 18 months ended 31st March, 2016

PARTICULARS	Year ended 31st March, 16 Rs. P.	Year ended 31st March, 16 Rs. P.	18 months ended 31st March, 15 Rs. P.	18 months ended 31st March, 15 Rs. P.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax and exceptional items		**996.20**		**901.36**
Adjustment for :				
Depreciation and amortisation expense	**930.02**		1426.49	
Finance costs	**1684.57**		1413.66	
Transfer to storage fund for molasses	**2.13**		10.57	
Provision/reversal of doubtful debts	**0.80**		(271.46)	
Balances written off	**-**		0.61	
Interest income	**(57.23)**		(135.33)	
Profit on sale of fixed assets	**(6.76)**		(22.47)	
Unspent liabilities/balances written back	**(10.92)**		(0.25)	
		2542.61		2421.82
Operating Profit before working capital changes		**3538.81**		**3323.18**
Adjustment for :				
(Increase)/Decrease in trade and other receivables	**2293.70**		(4401.35)	
(Increase) / Decrease in inventories	**3670.85**		(11522.77)	
Increase / (Decrease) in trade payables & Others	**(2271.33)**		13422.14	
Cash Generated from Operations		**3693.22**		**(2501.98)**
Direct Tax Paid		**(5.64)**		(103.17)
Net Cash From Operating Activities (A)		**7226.39**		**718.03**
B. Cash Flow from investing activities				
Purchase of fixed assets	**(597.54)**		(2675.31)	
Proceeds from sale of fixed assets	**6.98**		251.18	
Purchase of shares of subsidiary	**(285.00)**		(0.73)	
Interest income received	**48.53**		126.51	
Net Cash From Investing Activities		***(827.03)***		***(2298.35)***
C. Cash Flow From Financing activities				
Proceeds of long term borrowings	**923.00**		1699.00	
Repayments of long term borrowings	**(618.40)**		(1565.85)	
Proceeds/(repayments) of short term borrowings	**(5408.15)**		3169.78	
Finance cost paid	**(852.56)**		(1597.96)	
Net Cash From Financing Activities		***(5956.11)***		***1704.97***
Net increase in Cash & Cash Equivalents (A+B+C)		**443.25**		124.65
D. Opening cash and cash equivalents		**405.48**		280.83
E. Closing cash and cash equivalents		**848.73**		405.48
Increase in Cash & Cash Equivalents (D-E)		**443.25**		124.65

Notes:

1) The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules, 2006.

2) Cash and cash equivalents at year end comprises:

Cash on hand	12.79	22.03
Cheque on hand	401.52	17.12
Balances with scheduled banks		
- current accounts	245.67	208.60
- fixed deposit accounts	165.74	137.81
- Molasses stoage fund in S/B Account	23.02	19.93
	848.73	405.48

As per our report of even date attached hereto
For Mehrotra & Mehrotra
Chartered Accountants
F.R. No.0226C

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

Date : 30.05.2016
Place : Lucknow

For & on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Notes forming part of Financial Statement

1. Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for revaluation of certain Fixed Assets, in accordance with the Companies Act, 2013 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. 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. Based on the nature of operations and time between procurement of raw material and realization in cash and 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.

1.2 Use of Estimates

The preparation of the Financial Statements in conformity with GAPP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates made in the preparation of the financial statements are prudent and reliable. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

1.3 Significant Accounting Policies

a) Fixed Assets

i) Tangible Fixed Assets are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation. All costs including financing costs relating to borrowing till commencement of commercial production attributable to the fixed assets are capitalized.

ii) Depreciation on tangible fixed assets 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 statement of Profit & Loss from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

iii) Tangible Fixed Assets costing up to Rs.5,000/- are being depreciated fully in the year of their put to use.

iv) Depreciation/amortization on assets added, sold or discarded during the year is provided on pro-rata basis.

v) 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.

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

b) Revenue Recognition and Expenses

i. Revenue from the sale of products is recognized when the property in goods is transferred to the buyer for a consideration. Revenue from service transaction is recognized as the service is performed.

ii. Insurance claims have been accounted for on cash basis as per past practice.

iii. Revenue from certified emission reductions (CERs) and renewable emission certificate (REC) is recognized on cash basis in the absence of reasonable assurance that future economic benefits will flow from the same to the company.

iv. All the expenses are accounted for on accrual basis.

c) Inventories are valued as under:

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

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 cost are not included in value of inventory.
Cost for the purpose of valuations of raw material and components, stores & spares are considered on following basis:

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

d) Investments

Long term Investments are carried at cost. However, provision for diminution is made to recognize decline, other than temporary, in the value of investment, if any. Current Investment is carried at cost or market value, whichever is lower.

e) Employees Benefits

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

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

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

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

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

When the calculation results in a benefit to the Company, the 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 immediately in the statement of profit and loss.

(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.

f) Borrowing Costs

Borrowing costs attributable to the qualifying assets are capitalized up to the period such assets are ready for the intended use and commenced commercial production. All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

g) Government Grants

Government Grants in the nature of Government promoters' contribution, i e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.

h) 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.

i) Foreign Currency Transactions

a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates.

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

c) 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.

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

j) Taxes on Income

i. 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.

ii. Deferred Tax is recognized on timing differences between accounting income and taxable income for the period, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

iii. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Assets in respect to brought forward losses/unabsorbed depreciation is recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

k) Impairment of Assets

Impairment of individual assets/cash generating unit (a group of assets that generates identified independent cash flows) are identified using external and internal sources of information and impairment loss if any, is determined and recognized in accordance with the Accounting Standard 28 issued in this regard by the Institute of Chartered Accountants of India.

l) Leases

Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis.

m) Provisions, Contingent Liabilities and Contingent Assets

i. Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

ii. Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

iii. 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.

iv. A contingent asset is not recognized in the financial statements.

v. Provisions and contingent liabilities are reviewed at each balance sheet date.

n) Segment Reporting

Primary Segment

Based on the guiding principles given in the Accounting Standard-17 "Segment Reporting" issued by ICAI, the Company's segments are Sugar, Power Generation and Distillery.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the respective segment.

Segment Identification

Business segments have been identified on the basis of the nature of products/ services, the risk return profile of individual business, the organizational structure and the internal reporting system of the company.

o) Excise duty in respect of finished goods held in stock has been accounted for at the end of the year and is included in the value of closing stock.

p) Earning 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.

q) 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.

Note 2.1 - Share Capital

PARTICULARS	Current Year As at 31-March-2016 Rs.	P.	Previous Year As at 31-March-2015 Rs.	P.
AUTHORISED				
100,000,000 Equity Shares of Rs. 2/- each		**200,000,000.00**		200,000,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		**184,000,340.00**		184,000,340.00
92,000,170 Equity Shares of Rs. 2/- each				
TOTAL		**184,000,340.00**		**184,000,340.00**

a. Reconciliation of Number of Shares

	No. of shares	Amount
Shares outstanding as at 1st April, 2015	92,000,170	184,000,340
Shares outstanding as at 31st March, 2016	92,000,170	184,000,340

b. List of Shareholders holding more than 5% of the total number of shares issued by the company:

Name of the shareholder	As at 31-March-2016 No. of shares	% shareholding	As at 31-March-2015 No. of shares	% shareholding
L K Jhunjhunwala	5602600	6.09	5602600	6.09
P C Jhunjhunwala	9946600	10.81	9944100	10.81
L K Jhunjhunwala (HUF)	10065900	10.94	10065900	10.94
Marvel Business Pvt. Ltd.	12450951	13.53	12450951	13.53

The Company has issued only one class of equity shares having a par value of Rs.2 per share. Each holder of Equity Share is entitled to one vote per share. No dividend has been proposed.

Note 2.2 - Reserves and Surplus

PARTICULARS	Current Year As at 31-March-2016 Rs.	P.	Previous Year As at 31-March-2015 Rs.	P.
a. General Reserve				
Balance as per last account	**122,019,139.87**		122019139.87	
Less: Deduction on account of depreciation	**4,201,601.67**	**117,817,538.20**	-	122,019,139.87
b. Capital Reserve				
Balance as per last account		**4,833,000.00**		4,833,000.00
c. Initial Depreciation Reserve				
Balance as per last account		**172,449.73**		172,449.73
d. Molasses Storage Fund				
Balance as per last account	**716,021.10**		4,058,541.10	
Less: Withdrwal/reversal during the year	**-**		-	
Less: Transfer to Statement of Profit & Loss	**-**		4,400,000.00	
Add: Transferred from Statement of Profit & Loss	**212,732.00**	**928,753.10**	1,057,480.00	716,021.10
e. Fixed Asset Revaluation Reserve				
Balance as per last account	**2,111,099.81**		2,741,510.05	
Less: Utilised for set off against depreciation	**323,631.60**	**1,787,468.21**	630,410.24	2,111,099.81
f. Sugar Price Equalisation Reserve				
Balance as per last account		**1,239,508.05**		1,239,508.05
g. Securities Premium Account				
Balance as per last account		**268,801,428.00**		268,801,428.00
h. Surplus/(Deficit) in Statement of Profit & Loss				
Balance as per last account	**(407,922,876.40)**		(487,214,640.79)	
Add: Transfer from Molasses Storage Fund	**-**		4,400,000.00	
Add: Profit/(Loss) for the current year	**116,902,283.19**	**(291,020,593.21)**	74,891,764.39	(407,922,876.40)
TOTAL		**104,559,552.08**		(8,030,229.84)

Molasses Storage Fund has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the storage fund is represented by investment in the form of deposit in saving bank account with a bank amounting to Rs.23.02 lacs (Previous year Rs.19.93 lacs)

Note 2.3 - Long Term Borrowings

PARTICULARS	Current Year As at 31-March-2016 Rs. P. Current	Current Year Non current	Previous Year As at 31-March-2015 Rs. P. Current	Previous Year Non current
Term loans				
From Banks				
Secured				
a. State Bank of India - SEFASU Loan	**26,640,822.00**	**69,300,000.00**	-	95,940,822.00
b. Punjab National Bank - SEFASU Loan	**24,636,000.00**	**47,211,000.00**	2,053,000.00	71,847,000.00
c. Punjab National Bank - Soft Loan	**-**	**92,300,000.00**	-	-
d. Punjab National Bank	**14,760,000.00**	**27,127,167.00**	7,376,000.00	42,000,805.00
e. Allahabad Bank	**40,850,000.00**	**76,074,691.65**	20,450,000.00	116,942,305.65
f. Punjab National Bank - FITL New	**-**	**-**	21,064,307.00	-
g. Allahabad Bank - FITL	**-**	**-**	10,765,168.42	-
Total A	**106,886,822.00**	**312,012,858.65**	61,708,475.42	326,730,932.65
From other entities				
Secured				
a. Sugar Development Fund (SDF) from Govt. of India	**148,500,000.00**	**-**	148,500,000.00	-
Total B	**148,500,000.00**	**-**	148,500,000.00	-
From related parties				
Unsecured loan	**-**	**15,400,000.00**	-	15,400,000.00
Total C	**-**	**15,400,000.00**	-	15,400,000.00
TOTAL (A+B+C)	**255,386,822.00**	**327,412,858.65**	210,208,475.42	342,130,932.65

a. Nature of Securities

i. Rupee Term Loan of State Bank of India (SEFASU), Punjab National Bank (SEFASU) and Punjab National Bank (Soft Loan) are secured by residual charge on entire fixed assets and current assets of the company, present and future, on pari passu basis with other term lenders.

ii. Rupee Term Loan of Punjab National Bank and Allahabad Bank are secured by 4th charge on entire fixed assets of the company on pari passu basis with other term lenders, personal guarantee of two directors, pledge of shares and and corporate guarantee of a company.

iii. FITL of Punjab National Bank and Allahabad Bank are secured by first charge on entire fixed assets of the company on pari passu basis with other term lenders, personal guarantee of two directors, pledge of shares and corporate guarantee of a company.

iv. Rupee Term Loan from SDF are secured by second charge on Company's immovable and movable properties both present and future.

v. Unsecured loan from related parties represent promoters contribution as per CDR approval.

b. Terms of repayment

Name of the banks / entities	Interest Rate %	Amount Outstanding as on 31, March, 2016 Current Rs. P.	Amount Outstanding as on 31, March, 2016 Non Current Rs. P.	1-2 years	2-3 years	3 years and above
Name of the banks / entities						
State Bank of India SEFASU loan	0.75	26,640,822	69,300,000	32,040,000	32,040,000	5,220,000
Punjab National Bank SEFASU loan	0.00	24,636,000	47,211,000	24,636,000	22,575,000	-
PNB Soft loan	14.35	-	92,300,000	23,076,000	30,768,000	38,456,000
Punjab National Bank	11.00	14,760,000	27,127,167	17,560,000	9,567,167	-
Allahabad Bank	11.50	40,850,000	76,074,692	48,600,000	27,474,692	-
Sugar Development Fund (SDF) from Govt. of India	4.00	148,500,000	-	-	-	-
Unsecured loan	-	-	15,400,000	-	-	15,400,000
Total		255,386,822	327,412,859	145,912,000	122,424,859	59,076,000

a. 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.

b. Interest sub-vention to the extent of 12% on SEFASU loan from State Bank of India and Punjab National Bank is to be funded by Central Government. State Bank of India SEFASU Loan is at 12.75%.

c. Interest sub-vention to the extent of 10% on Soft loan from Punjab National Bank is to be funded by Central Government for one year.

c. The company has defaulted in repayment of loans and interest in respect of the following

PARTICULARS	As at 31-March-2016 Rs. P.		As at 31-March-2015 Rs. P.	
	Due date and (default months)	Amount	Due date and (default months)	Amount
Term loans				
From other entities				
(i) Sugar Development Fund (SDF) from Govt. of India.				
Principal	05.03.2011 (61)	16,500,000	05.03.2011 (49)	16,500,000
	05.09.2011 (55)	16,500,000	05.09.2011 (43)	16,500,000
	05.03.2012 (49)	16,500,000	05.03.2012 (37)	16,500,000
	05.09.2012 (43)	16,500,000	05.09.2012 (31)	16,500,000
	05.03.2013 (37)	16,500,000	05.03.2013 (25)	16,500,000
	05.09.2013 (31)	16,500,000	05.09.2013 (19)	16,500,000
	05.03.2014 (25)	16,500,000	05.03.2014 (13)	16,500,000
	05.09.2014 (19)	16,500,000	05.09.2014 (7)	16,500,000
	05.03.2015 (13)	16,500,000	05.03.2015 (1)	16,500,000
Total		148,500,000		148,500,000
Interest				
	05.03.2015 (13)	8,228,310	05.03.2015 (1)	8,228,310
	05.09.2016 (7)	6,683,052		
	05.03.2016 (1)	9,417,254		
Total		24,328,616		8,228,310

Note 2.4 - Deferred tax liabilities

PARTICULARS	As at 31-March-2016 Rs.	P.	Rs.	P.	As at 31-March-2015 Rs.	P.	Rs.	P.
Deferred Tax Liabilities								
Depreciation			**65,869,236.00**				78,485,177.00	
Deferred Tax Assets								
Carried forward losses	**18,724,223.00**				**19,249,201.00**			
Expenses allowable for tax purpose when paid	**31,729,445.00**		**50,453,668.00**		**21,473,684.00**		40,722,885.00	
TOTAL			**15,415,568.00**				37,762,292.00	

Refer note no. 2.29 (8)

Note 2.5 - Other long term liabilities

PARTICULARS	As at 31-March-2016 Rs.	P.	As at 31-March-2015 Rs.	P.
Loan from UP Government *	**1,450,000.00**		1,450,000.00	
Others	**796,321.85**		796,321.85	
Total	**2,246,321.85**		2,246,321.85	

Refer note no. 2.29 (7)

Note 2.6 - Long term provisions

PARTICULARS	As at 31-March-2016 Rs. P.	Rs. P.	As at 31-March-2015 Rs. P.	Rs. P.
Provisions for employees benefit				
Unavailed leave	3,264,504.00		2,457,664.00	
Gratuity	301,900.00	3,566,404.00	3,541,656.00	5,999,320.00
Other Provision including Excise duty		204,259,676.00		135,529,759.00
TOTAL		207,826,080.00		141,529,079.00

Note 2.7 - Short term borrowings

PARTICULARS	As at 31-March-2016 Rs. P.	Rs. P.	As at 31-March-2015 Rs. P.	Rs. P.
Loan repayable on demand				
Working capital loans				
From banks				
Secured				
a. State Bank of India	128,319,104.63		452,485,753.14	
b. Punjab National Bank	234,559,113.58		373,310,328.30	
c. The Federal Bank Ltd.	485,817.10	363,364,035.31	78,383,346.10	904,179,427.54
Other Loans and advances				
Unsecured				
From Others		1,040,840.00		1,040,840.00
TOTAL		364,404,875.31		905,220,267.54

Summary of short term borrowings
Secured borrowings
Nature of Securities

i. Working capital loans from State Bank of India is secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohal, book debts and other current assets of the company, third pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of three Directors, pledge of shares and corporate guarantee of a company.

ii. Working capital loan from Punjab National Bank is secured by pledge of stock of Crystal sugar, third pari passu charge with other working capital capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of two Directors, pledge of shares and corporate guarantee of a company.

iii. Working capital loans from The Federal Bank Ltd. is secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohal, book debts and other current assets of the company, third pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of two Directors, pledge of shares and corporate guarantee of a company.

Note 2.8 - Trade Payables

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Trade payable (Other than acceptance)*	**949,895,700.95**	1,248,579,693.96
Total	**949,895,700.95**	1,248,579,693.96

* Includes Rs.Nil due to micro and small enterprises. [Refer note no.2.29 (13)]

Note 2.9 - Other current liabilities

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
i. Current maturities of long term debt*	**255,386,822.00**	210,208,475.42
ii. Payable to capital goods supplier	**4,840,931.04**	7,231,982.04
iii. Staturory liabilities **	**109,958,510.00**	102,871,293.28
iv. Advances from Customers	**2,772,707.27**	20,207,225.72
v. Interest accrued but not due on borrowings	**64,242,389.00**	-
vi. Interest accrued and due on borrowings	**27,248,112.00**	8,289,148.00
vii. Security Deposits	**18,956,807.38**	30,789,828.32
viii. Outstanding liability of related party	**6,470,096.13**	9,504,471.61
ix. Salary and other payables to employees	**10,125,475.64**	9,972,711.52
x. Others	**41,412,571.60**	9,273,737.10
TOTAL	**541,414,422.06**	408,348,873.01

* Refer note no.2.3 (a), (b) & (c) for nature of securities and terms of repayment respectively.
** Include Excise Duty and Cess on closing stock.

Note 2.10 - Short term provisions

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Provision for employee benefit -				
Unavailed leave	**237,829.00**		177,317.00	
Gratuity	**1,993,766.00**	**2,231,595.00**	2,578,556.00	2,755,873.00
For Income Tax		**-**		-
TOTAL		**2,231,595.00**		2,755,873.00

Note 2.11- Fixed Assets

Particulars	Tangible assets								Intangible Assets	Capital work in progress	Grand Total
	Land (Lease hold)	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Computer software		
Gross Block											
Balance as at 01.04.2015	1,647,775.67	5,972,794.00	58,838,459.85	2,059,190,432.62	26,716,116.65	27,257,781.32	6,283,148.87	10,381,289.58	2,214,132.00	4,857,358.00	2,203,359,288.56
Additions	-	-	2,357,901.00	36,010,427.16	10,822,435.27	10,389,449.00	2,490,555.00	874,004.00	-	21,878,281.98	84,823,053.41
Disposal/Deduction	-	-	-	1,914,572.00	-	-	24,622.00	-	-	25,069,554.83	27,008,748.83
Balance as at 31.03.2016	**1,647,775.67**	**5,972,794.00**	**61,196,360.85**	**2,093,286,287.78**	**37,538,551.92**	**37,647,230.32**	**8,749,081.87**	**11,255,293.58**	**2,214,132.00**	**1,666,085.15**	**2,261,173,593.14**
Depreciation											
Balance as at 01.04.2015	-	-	24,862,024.65	1,483,974,615.50	9,587,727.46	16,314,053.87	4,632,505.34	8,536,019.05	1,608,782.06	-	1,549,515,727.93
Depreciation for the year	-	-	6,042,740.79	72,526,303.67	6,658,598.02	5,241,389.13	930,253.08	1,544,634.10	382,169.47	-	93,326,088.27
Disposal/Deduction	-	-	-	1,914,572.00	-	-	3,190.34	-	-	-	1,917,762.34
Balance as at 31.03.2016	**-**	**-**	**30,904,765.44**	**1,554,586,347.17**	**16,246,325.48**	**21,555,443.00**	**5,559,568.08**	**10,080,653.15**	**1,990,951.53**	**-**	**1,640,924,053.86**
Transfer to Retained Earning			**681,201.02**	**3,013,358.52**	**20,232.97**	**43,704.52**	**349,074.46**	**91,499.53**	**2,530.65**		4,201,601.67
Net Block as 31.03.2016	**1,647,775.67**	**5,972,794.00**	**29,610,394.39**	**535,686,582.09**	**21,271,993.47**	**16,048,082.80**	**2,840,439.33**	**1,083,140.91**	**220,649.82**	**1,666,085.15**	**616,047,937.61**

Fixed Assets Previous year

Particulars	Tangible assets								Intangible Assets	Capital work in progress	Grand Total
	Land (Lease hold)	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Computer software		
Gross Block											
Balance as at 01.10.2013	2,010,875.67	-	37,406,580.12	1,836,674,744.85	9,075,016.44	17,510,958.32	5,395,399.62	8,655,818.58	1,564,632.00	44,394,553.75	1,962,688,579.35
Additions	-	5,972,794.00	21,431,879.74	246,632,543.77	17,641,100.21	12,126,763.00	887,749.25	1,725,471.00	649,500.00	156,950,898.69	464,018,699.66
Disposal/Deduction	363,100.00	-	-	24,116,856.00	-	2,379,940.00	-		-	196,488,094.44	223,347,990.44
Balance as at 31.03.2015	1,647,775.67	5,972,794.00	58,838,459.86	2,059,190,432.62	26,716,116.65	27,257,781.32	6,283,148.87	10,381,289.58	2,214,132.00	4,857,358.00	2,203,359,288.57
Depreciation											
Balance as at 01.10.2013	-	-	22,554,761.01	1,353,897,714.55	7,479,980.69	13,482,570.58	4,227,300.14	7,061,021.31	1,521,179.50	-	1,410,224,527.78
Depreciation for the year	-	-	2,307,263.65	131,869,747.99	2,107,746.73	5,026,529.30	405,205.17	1,474,997.76	87,602.56	-	143,279,093.16
Disposal/Deduction	-	-	-	1,792,847.00	-	2,195,046.00	-	-	-	-	3,987,893.00
Balance as at 31.03.2015	**-**	**-**	24,862,024.66	1,483,974,615.54	9,587,727.42	16,314,053.88	4,632,505.31	8,536,019.07	1,608,782.06	**-**	1,549,515,727.94
Transfer to Retained Earning	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Net Block as 31.03.2015	1,647,775.67	5,972,794.00	33,976,435.20	575,215,817.08	17,128,389.23	10,943,727.44	1,650,643.56	1,845,270.51	605,349.94	4,857,358.00	653,843,560.63

Note 2.12 - Non-current Investments

PARTICULARS	Face Value	As at 31st March, 2016 No. of shares	As at 31st March, 2016 Rs.	As at 31st March, 2015 No. of shares	As at 31st March, 2015 Rs.
Non Trade Investments					
Unquoted (valued at cost)					
a. In equity shares of companies fully paid up					
Subsidiary company:					
K M Energy Pvt. Ltd.	10	730,000	7,300,000.00	7,300	73,000.00
Others:					
Chamoli Hydro Power (P) Ltd.	10	1,000	10,000.00	1,000	10,000.00
K M Shakar Karkhana Pvt Ltd	10	25,000	1,000,000.00	25,000	1,000,000.00
Chamoli Hydro Power (P) Ltd.					
b. In 9% Non-cumulative redeemable preference shares fully paid up					
Subsidiary company:					
K M Energy Pvt. Ltd.		2,127,300	21,273,000.00		-
Other Investments					
Quoted (valued at cost)					
c. In equity shares of companies fully paid up					
Reliance Industries Ltd.	10	84	5,876.00	84	5,876.00
Reliance Communication Ltd.	5	42	4,373.00	42	4,373.00
Reliance Infrastructure Ltd.	10	3	825.00	3	825.00
Reliance Capital Ltd.	10	2	147.00	2	147.00
Reliance Power Ltd.	10	10	79.00	10	79.00
Aggregate amount of unquoted investments Rs.10,83,000/-					
Aggregate amount of quoted investments Rs.11,300/-					
Aggregate market value of listed and quoted investments Rs.92,732/- (Previous year Rs.74,478/-)					
Total			**29,594,300.00**		1,094,300.00

Note 2.13 Long-term loans and advances (unsecured, considered good unless stated otherwise)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Capital advances		**158,000.00**		158,000.00
Security deposits		**55,491,994.46**		3,867,594.46
Other loans and advances				
Advance to suppliers and others				
Considered Good	-		-	
Considered doubtful	**30,901,018.01**		31,357,798.21	
Less: Allowance for doubtful advance	**30,901,018.01**		31,357,449.72	
	-		348.49	
Income Tax payments	**1,258,284.64**		5,637,906.64	
(Net of provision Rs.153.82 lacs previous year Rs.103.17 lacs)				
Duties and taxes paid under protest	**787,150.00**	**2,045,434.64**	741,230.00	6,379,485.13
Total		**57,695,429.10**		10,405,079.59

Note 2.14 Other non-current assets (unsecured, considered good unless stated otherwise)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Fixed deposits with banks (Non current portion with original maturity period of more than 12 months)		
For a loan held by District Magistrate, Faizabad*	**1,450,000.00**	1,450,000.00
Interest accrued but not due	**-**	-
Others	**338,543.82**	338,543.82
Total each Fully paid up)	**1,788,543.82**	1,788,543.82

Refer note no. 2.29 (7)

Note 2.15 Inventories (valued at lower of cost and net realisable value, unless stated otherwise)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Raw materials				
Molasses in Distillery Division		**14,725,800.00**		23,170,500.00
Rectified Spirit		**1,946,177.00**		13,859,139.00
Work-in-progress				
Biocompost		**54,193.00**		211,456.00
Finished goods				
Sugar	**1,343,348,274.00**		1,654,485,719.00	
Molasses	**81,459,525.00**		119,911,050.00	
Industrial Alcohal	**60,760,180.00**		43,787,150.00	
Country liquor	**-**		1,031,722.00	
Bagasse	**5,913,584.00**		15,414,528.00	
Banked power	**6,310,339.00**		3,701,552.00	
Pressmud	**164,798.00**	**1,497,956,700.00**	64,616.00	1,838,396,337.00
Stores and spares		**36,876,597.74**		43,006,957.93
Total		**1,551,559,467.74**		1,918,644,389.93

Refer note no. 1.3 significant accounting policies

Note 2.16 Trade receivables (unsecured, considered good)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Trade receivables outstanding for a period exceeding 6 months from due date				
a. Considered good	**2,679,933.45**		42,482,126.59	
b. Considered doubtful	**4,163,049.24**		2,902,088.29	
	6,842,982.69		45,384,214.88	
Less: Provision for doubtful debts	**4,163,049.24**	**2,679,933.45**	2,902,000.00	42,482,214.88
Other trade receivables- considered good*		**263,977,920.18**		274,398,421.49
Total		**266,657,853.63**		316,880,636.37

* Including Rs.369.24 lacs from a related party

Note 2.17 Cash and cash equivalents

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Balances with banks				
In current accounts	24,566,221.95		20,856,753.96	
In EEFC account	333.00	24,566,554.95	3,255.00	20,860,008.96
Cheques on hand		40,151,896.00		1,711,775.00
Cash on hand		1,278,686.35		2,202,853.28
Fixed deposit for Bank guarantee deposited with bank as margin money -Earmarked				
Maturity period upto 12 months	2,376,813.00		3,219,973.00	
Maturity period more than 12 months	14,196,900.00	16,573,713.00	10,561,000.00	13,780,973.00
Molasses storage fund in S/B account (Earmarked)		2,302,035.58		1,992,579.58
Total		84,872,885.88		40,548,189.82

Note 2.18 Short-term loans and advances (unsecured, considered good)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Loan and advances to related parties				
Considered good		-		28,500,000.00
Security deposits		4,811,756.85		5,889,756.85
Other loans and advances				
Advance to suppliers and others	41,786,147.24		101,103,473.75	
Advance to employees	1,277,295.23		1,517,754.89	
Cenvat, Vat and other taxes/duties	6,534,405.50		14,271,812.50	
Prepaid expenses	4,648,307.50		5,003,988.00	
Others	272,188.00	54,518,343.47	285,931.97	122,182,961.11
Total		59,330,100.32		156,572,717.96

Note 2.19 Other current assets (unsecured, considered good)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Interest accrued / receivable	2,095,114.89	1,225,036.89
Cane Commission / subsidy receivable	22,407,502.91	138,293,001.16
Others*	7,358,178.00	25,247,987.00
Total	31,860,795.80	164,766,025.05

* Includes Rs.28.60 lacs interest receivable from subsidiary

Note 2.20 Revenue from operations

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Sale of goods (Gross)		
Sugar (Including trading Rs.1726.35 lacs Previous year Rs.4893.95 lacs)	**2,729,712,850.00**	4,474,097,303.00
Molasses	**-**	-
Power	**196,789,014.00**	416,771,040.00
Industrial alcohol	**382,257,001.00**	554,178,678.00
Country liquor	**263,910,605.24**	83,349,749.14
Bagasse sale	**74,748,971.35**	160,406,329.25
Bio compost manure	**1,299,439.00**	1,755,052.00
Revenue from operations (Gross)	**3,648,717,880.59**	5,690,558,151.39
Less : Excise duty, cess and administrative charges on sale of goods	**120,050,759.00**	186,073,938.00
Revenue from operations (Net)	**3,528,667,121.59**	5,504,484,213.39

Note 2.21 Other income

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Interest income		
Fixed deposits with banks	**2,791,233.00**	1,734,567.89
Others	**2,932,054.00**	11,798,554.00
Other non-operating income		
Net gain on foreign currency transactions and translations	**56.00**	581,648.50
Insurance claims	**161,796.00**	1,318,219.00
Profit on sale of fixed assets	**676,210.00**	2,247,045.00
Unspent liabilities/balances written back	**1,092,458.13**	25,000.00
Carbon credit/REC receipt	**18,437,272.00**	15,416,220.00
Miscellaneous income	**6,229,137.00**	10,067,543.03
Cane commission refund	**28,387,409.89**	-
Prior period income	**-**	-
Provision for doubtful debts reversal	**-**	27,871,254.00
Total	**60,707,626.02**	71,060,051.42

Note 2.22 Cost of materials consumed

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Sugar cane*	**1,905,996,836.18**	5,003,084,065.82
Molasses	**21,645,831.00**	27,851,630.40
Spirit	**110,410,144.62**	4,140,731.00
Total	**2,038,052,811.80**	5,035,076,427.22

* Refer note no.2.29 (9)

Note 2.23 Purchases of stock-in-trade

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Sugar	**188,891,250.00**	447,690,277.00
Total	**188,891,250.00**	447,690,277.00

Note 2.24 Changes in inventories of finished goods, by-products and work-in-progress

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Rs. P.	18 months ended 31st March, 2015 Rs. P.	Rs. P.
Finished goods				
Opening stock				
Sugar	1,654,485,719.00		667,971,292.00	
Molasses	143,081,550.00		32,414,403.00	
Bagasse	15,414,528.00		2,989,490.00	
Industrial alcohol	43,787,150.00		6,920,115.00	
Country liquor	1,031,722.00		-	
Banked Power	3,701,552.00		805,448.00	
Carbon credit	-		728,797.00	
Pressmud	64,616.00		-	
Biocompost manure	-	1,861,566,837.00	-	711,829,545.00
Less : Closing stock				
Sugar	1,343,348,274.00		1,654,485,719.00	
Molasses	96,185,325.00		143,081,550.00	
Bagasse	5,913,584.00		15,414,528.00	
Industrial alcohol	60,760,180.00		43,787,150.00	
Country liquor	-		1,031,722.00	
Banked Power	6,310,339.00		3,701,552.00	
Pressmud	164,798.00	1,512,682,500.00	64,616.00	1,861,566,837.00
Total (A)		348,884,337.00		(1,149,737,292.00)
Work-in-progress				
Opening stock		211,456.00		-
Less : Closing stock		54,193.00		211,456.00
Total (B)		157,263.00		(211,456.00)
Total (A+B)		349,041,600.00		(1,149,948,748.00)
Less: Difference of Excise Duty on opening and closing stock		28,211,361.00		51,719,766.00
Total		377,252,961.00		(1,098,228,982.00)

Note 2.25 Employee benefits expense

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Salary, wages and bonus	81,669,318.44	128,239,103.37
Contribution to Provident Fund and other Funds	8,007,659.00	10,604,186.00
Workmen and Staff Welfare Expenses	1,368,046.00	2,347,388.00
Gratuity	2,295,666.00	4,218,650.00
Total	93,340,689.44	145,409,327.37

Note 2.26 Finance costs

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Rs. P.	18 months ended 31st March, 2015 Rs. P.	Rs. P.
Interest expense				
Cash Credit	116,840,422.00		68,112,130.00	
Term loan	45,426,675.40		68,131,648.39	
Others	96,402.49	162,363,499.89	1,032,158.00	137,275,936.39
Documentation and other bank charges		6,093,313.64		4,090,521.56
Total		168,456,813.53		141,366,457.95

Note 2.27 Depreciation and amortisation expense

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Rs. P.	18 months ended 31st March, 2015 Rs. P.	Rs. P.
Depreciation and amortisation on tangible assets	92,943,918.80		143,191,490.59	
Less: Transferred from revaluation reserve	323,631.60	92,620,287.20	630,410.24	142,561,080.35
Amortisation on intangible assets		382,169.47		87,602.56
Total		93,002,456.67		142,648,682.91

Note 2.28 Other expenses

PARTICULARS	Year ended31st March, 2016 Rs. P.	Rs. P.	18 months ended 31st March, 2015 Rs. P.	Rs. P.
Consumption of stores and spare parts		27,160,676.04		57,375,232.55
Packing materials		118,236,760.30		102,081,946.52
Power and fuel		34,153,102.71		36,836,886.51
Rent		17,643,382.00		11,997,538.00
Repairs				
Buildings	13,741,848.17		32,657,962.55	
Machinery	94,988,194.39		129,141,157.18	
Others	11,204,686.47	119,934,729.03	15,228,198.36	177,027,318.09
Insurance		3,188,060.00		4,450,189.00
Rates and taxes (excluding taxes on income)		11,943,681.58		5,177,655.12
Selling Expenses :				
Commission to Selling Agents	5,611,785.00		8,696,010.00	
Other Selling Expenses	10,542,306.00		20,211,732.00	
Selling Expenses on Sugar Trading	-	16,154,091.00	37,935,469.00	66,843,211.00
Payments to auditor				
Statutory audit fee	400,000.00		300,000.00	
Tax audit fee	100,000.00		200,000.00	
For other services	300,000.00		-	
Reimbursement of expenses	16,500.00	816,500.00	59,145.00	559,145.00
Charity and donation		44,352.00		159,553.00
Printing and stationary		1,244,051.00		1,714,243.53
Communication expenses		1,431,166.37		2,301,208.74
Travelling Expenses		19,314,899.27		27,698,657.02
Consultancy and legal expenses		7,928,811.76		13,367,817.62
Director sitting fee		143,000.00		185,000.00
Director remuneration		9,000,000.00		10,750,000.00
Miscellaneous expenses		29,406,096.79		33,975,521.74
CSR Expenditure		2,052,783.00		-
Provision of Excise Duty demand		-		115,417,752.00
Loss of destroyed raw material		495,153.38		-
MGQ charges		36,981,397.00		-
State Excise Duty, VAT and fee		72,966,777.00		-
Transfer to storage fund for molasses		212,732.00		1,057,480.00
Provision for doubtful debts and advances		79,767.75		724,849.78
Balances written off		-		60,636.75
Prior period expenses		225,689.00		1,684,325.00
TOTAL		530,757,658.98		671,446,166.97

Note 2.29 Notes to the accounts

2.29 Other Disclosures:

1. Contingent liabilities and commitments (to the extent not provided for and as certified by the management)

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under labour laws - Rs.161.60 lacs (Previous Year - Rs.150.14 lacs).

(ii) Claims against the company not acknowledged as debts in respect of criminal and Civil Cases Rs.33.71 lacs (Previous Year -Rs.35.43 lacs).

(iii) Bank guarantees given to the Central Government, Excise Department and Indian Oil Corporation Ltd., aggregating to Rs.587.11 lacs (Previous Year Rs.373.76 lacs).

(iv) Interest recompense payable to lenders under CDR scheme estimated amounting to Rs. 214.14 Lacs (Previous Year Rs.676.43 lacs). It is stipulated that minimum 75% of the recompense amount should be recovered by the lenders in terms of CDR circular.

v) As per the amended provision of the Bonus Act, differential amount of bonus liability of Rs.16.93 lacs for F.Y. 2014-2015.

(vi) Disputed sales tax, income tax and excise duty cases under appeal - Rs.33181.82 lacs (Previous Year Rs.24603.80 lacs)

Description	Current Year Rs. in lacs	Previous Period Rs. in lacs
Central Excise Act	1879.14	1856.46
Sales Tax/Trade Tax/Entry Tax	1.34	0.04
Income Tax	31301.34	22746.02
Others	Nil	1.28
Total	**33181.82**	24603.80

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.

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.

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for-Nil (Previous Year - Nil).

(ii) Advances paid against above- Nil (Previous Year -Nil).

2. Employee Benefits

As per Accounting Standard -15 'Employees Benefits' the disclosure of Employee Benefits as defined in the Accounting Standard are as follow :

a. Defined contribution plans

Employee benefits in the form of Provident Fund are considered as defined contribution plan. The contribution to defined contribution plan, recognized the following amounts in the Statement of Profit & Loss:

	Current year	Previous period
Employers' contribution to provident fund	**Rs.80,07,659/-**	Rs.1,06,04,186/-

b. Defined benefits plans

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan. 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.

In accordance with the Accounting Standard 15, actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

	Gratuity Current Year	Gratuity Previous Period	**Leave Encashment Current Year**	Leave Encashment Previous Period
Discount rate (per annum)	**8.00%**	8.00%	**8.00%**	8.00%
Future salary increase	**5.00%**	5.00%	**5.00%**	5.00%
Expected rate of return on plan assets	**8.50%**	8.50%	**0%**	0%
Mortality	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate
I. Expenses recognized in profit and loss account				
Current service cost	**19,14,487**	17,97,812	**6,26,537**	4,96,520
Interest cost	**18,68,009**	22,93,678	**2,10,798**	3,14,161
Expected return on plan assets	**(14,25,215)**	(12,49,926)	**-**	-
Net actuarial loss/ (gain) recognized in the period	**(61,615)**	22,01,344	**11,54,169**	32,89,940
Net expenses recognized	**22,95,666**	50,42,908	**19,91,504**	41,00,621
II. Net liability/(assets) recognized in the balance sheet as at 31st March, 2016				
Present value of obligation at the end of period	**2,40,70,913**	2,33,50,108	**35,02,333**	26,34,981
Fair value of the plan asset at the end of period	**2,00,87,869**	1,55,42,518	**-**	-
Funded status [(surplus/(deficit)]	**(39,83,004)**	(78,07,590)	**(35,02,333)**	(26,34,981)
Net (asset)/liability as at 31st March, 2016	**2,40,70,913**	2,33,50,108	**35,02,333**	26,34,981
III. Change in present value of obligation during the year				
Present value of obligation at the beginning of year	**2,33,50,108**	1,91,31,458	**26,34,981**	26,20,399
Current service cost	**19,14,487**	17,97,812	**6,26,537**	4,96,520
Interest cost	**18,68,009**	22,93,678	**2,10,798**	3,14,161
Benefits paid	**(24,46,147)**	(27,43,754)	**(11,24,152)**	(40,86,039)
Actuarial loss/ (gain) on obligations	**(6,15,544**	28,70,914	**11,54,169**	32,89,940
Present value of obligation at the year end	**2,40,70,913**	2,33,50,108	**35,02,333**	26,34,981
IV. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	**1,55,42,518**	1,38,67,514	**-**	-
Return on plan assets	**8,71,286**	19,19,496	**-**	-
Contributions	**61,20,212**	24,99,262	**-**	
Benefits paid	**(24,46,147)**	(27,43,754)	**-**	-
Actuarial loss/ (gain)			**-**	-
Fair value of plan assets at the year end	**2,00,87,869**	1,55,42,518	**-**	-
Details of plan asset	**Gratuity Trust**	Gratuity Trust	**N/A**	N/A

Note: The Company funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is based on the information certified by the management.

3. Short term loans and advances shown under Notes 2.18 includes certain advances given to suppliers of raw material and revenue purchases, which are adjustable against the supply of goods/services. The management is of the opinion that these balances are recoverable/adjustable in future and accordingly, provision against the same has not been considered at this stage.

4. Certain bank accounts shown in Notes 2.17 of Cash and Bank balances under sub-head 'Balance with Banks' are non-operating for last some period and are also subject to reconciliation and receipt of confirmation. As such, the balance of Rs.1.99 lacs shown in respect of those bank accounts in the financial statements is as per books of account only.

5. 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 lacs 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 lacs 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 lac was paid towards Excise Duty on the above. The company has further made a payment of Rs.35.81 lacs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lacs thereon. Still a sum of Rs.12.40 lacs is lying in the Sugar Price Equalization Reserve as on 31.03.16 shown under Note 2.2 of "Reserve & Surplus".

6. Certain balances in account of debtors, advances, deposit account, and creditors are subject to reconciliation and confirmation by the respective parties. In some of the cases, the amount is overdue for last some years and consequential revenue impact, if any, is not ascertainable. However, management has reviewed these advances from its realization point of view and based on the management's working, the required provisions in respect thereof has been considered in these financial statements, wherever necessary. As far as other balances are concerned, the management is of the opinion that these balances are recoverable/adjustable and accordingly, provision against the same has not been considered at this stage and these balances are disclosed in the financial statements as per books of account only. 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. Further, there is no system of charging interest as per market tradition on amount due from sundry debtors and the parties to whom advances extended in the ordinary course of business.

7. Long term liabilities (Note No.2.5) includes a loan from U.P. Government amounting to Rs.14.50 lacs. 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 lacs has been kept with the District Magistrate, Faizabad. In opinion of the management, the interest due on fixed deposit is sufficient to meet out the interest liability of the Company on the said loan and as such, no interest is being provided for in these financial statements.

8. For the purpose of computing deferred tax liability, amount of brought forward losses as claimed in the income tax returns filed has been considered for recognizing deferred tax assets. On the basis of future projections taken on record by the management after considering improved performance of Sugar and Co-gen divisions, the management is confident that there is a virtual certainty that sufficient taxable income will be available in the forthcoming financials years against which, the deferred tax assets can be realized in the normal course of business of the company.

9. Cost of material consumed for the year ended 31st March, 2016 is net of financial assistance of Rs.1819.64 lacs received for sugar season 2014-15 lacs from the State Government.

10. Since, the sugar industry is a seasonal industry; the cost of production of sugar is worked out on annualized basis.

11. Related Party Disclosures:-

Pursuant to compliance of Accounting Standard (AS 18) on related party disclosure, the relevant information is provided here below:-

I. Subsidiaries (Control exist) - K M Energy Pvt. Ltd.

II. Related Parties

a) Related party where control exist

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

b) Details of the related parties :

i. Key Management Personnel (Group A)

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director
- Shri S. C. Agarwal -Executive Director
- Shri Rajeev Kumar -Company Secretary
- Shri Arvind Kumar Gupta -Chief Financial Officer

ii. Relatives of Key Management Personnel (Group B)

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

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

- K.M. Plantations (P) Ltd.
- Marvel Business (P) Limited
- Francoise Commerce (P) Limited
- Nidhi Financial Services (P) Limited
- Shree Shakti Credits Limited
- Prakash Properties Limited
- Promissing Logistics (P) Ltd.
- Shailja Properties (P) Ltd.
- Zar International (P) Ltd.
- Shivam Trust
- Vatsal Trust
- Palak Jhunjhunwala Trust
- Shri Laxmi Public Charitable Trust

c) Transactions with the related parties:
(Rs. in Lacs)

Sl no.	Nature of transaction/ Name of the related party	Subsidiary	Key Managerial Personnel (KMP)	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Total Current Year (Previous Period)
i.	**Inter-Corporate loan given**				
	K M Energy Pvt. Ltd.	- (285.00)	- (-)	- (-)	- (285.00)
ii.	**Investment made**				
	K M Energy Pvt. Ltd.	285.00 (0.73)	- (-)	- (-)	285.00 (0.73)
iii.	**Interest receipt on loan**				
	K M Energy Pvt. Ltd.	28.50 (3.28)	- (-)	- (-)	28.50 (3.28)
iv.	**Remuneration including PF**				
	Shri L K Jhunjhunwala	- (-)	40.32 (45.91)	- (-)	40.32 (45.91)
	Shri Aditya Jhunjhunwala	- (-)	20.45 (24.34)	- (-)	20.45 (24.34)
	Shri Sanjay Jhunjhunwala	- (-)	20.29 (24.34)	- (-)	20.29 (24.34)
	Shri S. C. Agarwal	- (-)	18.37 (22.20)	- (-)	18.37 (22.20)
	Shri Rajeev Kumar	- (-)	9.50 (14.03)	- (-)	9.50 (14.03)
	Shri Arvind Kumar Gupta	- (-)	12.30 (17.41)	- (-)	12.30 (17.41)
iv.	**Sugar sold**				
	Sri Shakti Credits Ltd.	- (-)	- (-)	4557.00 (98.50)	4557.00 (98.50)
iv.	**Rent paid**				
	Sri Shakti Credits Ltd.	- (-)	- (-)	5.40 (8.10)	5.40 (8.10)
	Zar International Pvt. Ltd.	- (-)	- (-)	1.14 (1.71)	1.14 (1.71)
v.	**Advance given / Repaid**	- (-)	- (-)		
	Arvind Kumar Gupta	- (-)	5.00 (-)	- (-)	5.00 (-)
	Sri Shakti Credits Ltd.	- (-)	- (-)	- (25.00)	- (25.00)
	Shailja Properties Pvt. Ltd.	- (-)	- (-)	0.21 (-)	0.21 (-)
	Shri Laxmi Public Charitable Trust	- (-)	- (-)	- (3.13)	- (3.13)
vi.	**Advance received back**				
	Sri Shakti Credits Ltd.	- (-)	- (-)	- (79.31)	- (79.31)
vii.	**Balance outstanding**				
	a. Inter Corporate Loan receivable				
	K M Energy Pvt. Ltd.	- (285.00)	- (-)	- (-)	- (285.00)
	b. Interest receivable				
	K M Energy Pvt. Ltd.	28.60 (2.95)	- (-)	- (-)	28.60 (2.95)
	c. Amount receivable				
	Sri Shakti Credits Ltd.	- (-)	- (-)	365.18 (-)	365.18 (-)
	d. Loans payable				
	Shri L K Jhunjhunwala	- (-)	31.00 (31.00)	- (-)	31.00 (31.00)
	Shri Aditya Jhunjhunwala	- (-)	61.50 (61.50)	- (-)	61.50 (61.50)
	Shri Sanjay Jhunjhunwala	- (-)	61.50 (61.50)	- (-)	61.50 (61.50)
	e. Amount payable				
	Shri L K Jhunjhunwala	- (-)	13.28 (17.39)	- (-)	13.28 (17.39)
	Shri Aditya Jhunjhunwala	- (-)	20.60 (11.90)	- (-)	20.60 (11.90)
	Shri Sanjay Jhunjhunwala	- (-)	23.72 (15.54)	- (-)	23.72 (15.54)
	Shri S. C. Agarwal	- (-)	1.49 (1.08)	- (-)	1.49 (1.08)
	Sri Shakti Credits Ltd.	- (-)	- (-)	- (1.44)	- (1.44)
	Zar International Pvt. Ltd.	- (-)	- (-)	- (3.42)	- (3.42)
	Shailja Properties Pvt. Ltd.	- (-)	- (-)	- (0.21)	- (0.21)

i. The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms.
ii. No amount has been written back/written off during the year in respect to due to/due from related parties.
iii. The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

12. Segment Reporting: Information on the Segment Reporting of the company for the year ended 31.03.2016:

The company has identified three primary business segments viz. Sugar, Distillery and Co-generation. 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.

(Rs. in Lacs)

Particulars	Sugar		Distillery		Co-Generation		Others		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Revenue										
Gross sales	**32538.95**	56605.50	**6474.67**	6392.83	**3783.89**	8531.13	**-**	-	**42797.51**	71529.46
Less: Inter segment sales	**4494.33**	10260.46	**-**	-	**1816.00**	4363.42	**-**	-	**6310.33**	14623.88
External sales	**28044.62**	46345.04	**6392.83**	6392.83	**1967.89**	4167.71	**-**	-	**36487.18**	56905.58
Less: Excise duty and cess	**906.74**	1263.90	**293.77**	596.84	**-**	-	**-**	-	**1200.51**	1860.74
Net sales	**27137.88**	45081.14	**6180.90**	5795.99	**1967.89**	4167.71	**-**	-	**35286.67**	55044.84
Add: Other income	**396.23**	518.49	**26.13**	22.45	**184.71**	155.23	**-**	14.37	**607.07**	710.60
Total Revenue	**27534.11**	45599.63	**6207.03**	5818.44	**2152.60**	4322.94	**-**	14.37	**35893.74**	55755.44
Segment Results	**2022.07**	1403.14	**(232.92)**	(416.14)	**893.92**	1313.77	**(2.30)**	14.25	**2680.77**	2315.02
Less: Finance costs	**1446.39**	1135.43	**29.80**	10.30	**208.38**	267.93	**-**	-	**1684.57**	1413.66
Profit before tax	**575.68**	267.71	**(262.72)**	(426.44)	**685.54**	1045.84	**(2.30)**	14.25	**996.20**	901.36
Tax										
Current tax									**50.65**	103.17
Deferred Tax									**(223.47)**	49.27
Profit after tax									**1169.02**	748.92
Other Information										
Segment Assets	**20793.39**	25212.86	**2506.64**	3802.77	**3682.06**	3615.51	**11.98**	14.28	**26994.07**	32645.42
Segment Liabilities	**14825.98**	22683.22	**2992.01**	2183.21	**300.37**	110.31	**7.96**	7.96	**18126.32**	24984.70
Capital Expenditure*	**546.38**	1963.79	**51.16**	687.21	**-**	27.34	**-**	-	**597.54**	2678.34
Depreciation	**608.80**	748.34	**150.50**	133.23	**170.72**	544.79	**-**	0.12	**930.02**	1426.48

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

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.

13. Following are the relevant disclosures as required under the Micro, Small & Medium Enterprises Development Act, 2006

a. Sundry creditors include a sum aggregating **Rs.Nil** (Rs.12.59 lacs) due to micro & small enterprises is on account of principal only.
b. The Amount of interest paid by the Company in terms of Section 16, along with the amount of payment made to the micro & small enterprises beyond the appointed date during the year **Rs. Nil.**
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 this Act. **Rs. Nil.**

d. The amount of interest accrued and remaining unpaid **Rs. Nil.**

e. The amount of further interest remaining due and payable even in succeeding year **Rs. Nil.**

The above mentioned outstanding are in normal course of business and the information regarding micro & small enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

14. Earning Per Share

In compliance of Accounting Standard (AS-20) on Earning per Share, the relevant information is provided here below:-

	Current year (Amount Rs. In lacs)	**Previous period**
Net Profit/Loss after tax as per statement of Profit & Loss	1169.02	748.92
No. of Equity Shares of Rs. 2 each	92000170	92000170
Earning Per Equity Share (Basic & diluted) Rs.	**1.27**	0.81

15. Directors' Remuneration:-

S. No.		Chairman	Managing Director and Joint Managing Director	Executive Director
a)	Salary (Previous Year)	36,00,000 (41,50,000)	36,00,000 (44,00,000)	18,00,000 (22,00,000)
b)	Contribution to Provident Fund (Previous Year)	4,32,000 (4,41,000)	4,32,000 (4,68,000)	21,600 (19,620)
c)	Perquisites:			
	(i) Residence			
	-Furnished (Previous Year)	- (-)	- (-)	-
	(ii) Residence			
	-Unfurnished (Previous Year)	- (-)	- (-)	1,59,000 (1,65,000)
	(iii)Medical Reimbursement (Previous Year)	(-) (16,023)	42,434 (71,395)	14,946 (88,835)
	(iv) Other benefits	- (-)	- (-)	- (-)
	Total (Previous Year)	40,32,000 (46,07,023)	40,74,434 (49,39,395)	19,95,546 (24,13,455)

Note: The value of perquisites shown above is as per the income tax provisions.

16. Statement of additional information:-

a) Expenditure in Foreign Currency:

Travelling Expenses Rs.30.22 lacs (P.Y.-Rs.44.33 lacs)
Others Rs. 4.90 lacs (P.Y.- Rs.5.42 lacs)

b) Receipt from a debtor in Foreign
Currency of old dues: Rs.365.79 lacs (P.Y.- Nil)

c) Receipt of interest in Foreign
Currency of old dues: Nil (P.Y.- Rs. 113.94 lacs)

d) Break up of Raw Materials and components consumed.

		Current year		Previous period	
		%age	Amount (in lacs)	%age	Amount (in lacs)
i.	**Raw material**				
	Indigenous	100%	20380.53	100%	50350.76
	Imported	-	-	-	-
ii.	**Stores and packing material**				
	Indigenous	100%	1453.97	100%	1594.57
	Imported	-	-	-	-

17. Depreciation has been aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of Rs.35.06 lacs in relation to the assets whose useful life has already exhausted has been adjusted with Retained Earnings.

Had the Company continued to charge depreciation based on rates and manner as specified under the erstwhile Schedule XIV to the Companies Act, 1956, the Profit before Tax for the year ended 31st March, 2016 would have been lower by Rs.147.09 lacs.

18. The borrowings from banks were restructured under Corporate Debt Restructuring Mechanism (CDR) vide letter of approval dated 27.03.2012 issued by CDR EG. The company has proposed to exit from CDR and accordingly has made provision of Rs.642.42 lacs towards interest recompense considering cut-off date 29.02.2016 as per CDR guidelines.

19. As per Bihar State Government directions, the operation of country liquor bottling unit in Bihar shall get discontinued after 31.03.2016. The carrying amount of assets amounting to Rs. 631.80 lacs and liabilities amounting to Rs.1278.36 lacs stand in the books as on 31.03.16 and further, revenue of Rs.2639.11 lacs earned during the year against which a sum of Rs.3755.34 expended during the year.

20. The previous year figures are for the period from 01.10.2013 to 31.03.2015 i.e. for 18 months and the current financial year of the company is for 12 months. As such, the figures of current year are not comparable with previous period's figures.

21. The company has received demand notices of Rs.729.67 lacs towards state excise duty, VAT and fee including penalty in respect to the discontinued bottling operations in Bihar State and the said liability has been provided for in books on the basis of legal opinion taken by the company.

22. The previous period's figures have been regrouped, reclassified, reworked and rearranged wherever necessary to correspond with the current year classification/disclosures. Amounts and other disclosures for the preceding period are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

As per our report of even date attached hereto
FOR MEHROTRA & MEHROTRA
Chartered Accountants
F.R. No.0226C

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

Place: Lucknow
Date: 30.05.2016

For and on behalf of the Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Independent Auditor's Report

To
The Members of K.M. Sugar Mills Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of K.M. Sugar Mills Ltd. (hereinafter referred to as "the Holding Company") and its subsidiary (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated affairs of the Group as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (net) of Rs. 912.82 lacs as at 31st March, 2016, total revenues of Rs.34.57 lacs and net cash inflows amounting to Rs.435.20 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have 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 this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the 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 report of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report to the extent applicable, 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 purpose 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 and the report of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Para 1 of Note 2.29 to the consolidated financial statements;

ii. Provisions has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts in respect of such items as it related to the Group;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For Mehrotra & Mehrotra
Chartered Accountants
(FRN - 0226C)

Sanjay K. Rai
Partner
(M. No. 507946)

Place: Lucknow
Date: 30th May, 2016

Annexure - A to the 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 31st March, 2016, we have audited the internal financial controls over financial reporting of K.M. Sugar Mills Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company are 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 the respective 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") issued by the ICAI 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 issued by the ICAI. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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, the Holding Company and its subsidiary company, 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 31 March 2016, 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 - 0226C)

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

Place: Lucknow
Date: 30th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(Amount in Rs.)

PARTICULARS	Notes No.	Current Year As at 31-March-2016 Rs.	P.	Rs.	P.	Previous Year As at 31-March-2015 Rs.	P.	Rs.	P.
I. EQUITY AND LIABILITIES									
1. Shareholders' Funds									
(a) Share Capital	2.1	**184,000,340.00**				184,000,340.00			
(c) Reserves & Surplus	2.2	**104,255,116.68**		**288,255,456.68**		(8,524,789.87)		**175,475,550.13**	
2. Minority Interest				**63,012,786.76**				(155,919.33)	
3. Non-current liabilities	2.3								
(a) Long term borrowings	2.4	**327,412,858.65**				342,130,932.65			
(b) Deferred tax liabilities (Net)	2.5	**15,415,568.00**				37,762,292.00			
(c) Other Long term liabilities	2.6	**2,246,321.85**				2,246,321.85			
(d) Long term provisions		**207,826,080.00**		**552,900,828.50**		141,529,079.00		523,668,625.50	
4. Current liabilities	2.7								
(a) Short term borrowings	2.8	**364,404,875.31**				905,624,589.90			
(b) Trade payables	2.9	**949,895,700.95**				1,248,579,693.96			
(c) Other current liabilities	2.10	**551,480,522.06**				418,161,668.01			
(d) Short term provisions		**2,231,595.00**		**1,868,012,693.32**		2,755,873.00		2,575,121,824.87	
Total				**2,772,181,765.26**				3,274,110,081.17	
II. ASSETS									
Non-current assets									
1. (a) Fixed Assets	2.11								
(i) Tangible Assets		**632,303,018.64**				648,380,852.69			
(ii) Intangibile assets		**220,649.82**				605,349.94			
(iii) Capital Work-in-Progress		**2,350,835.15**		**634,874,503.61**		4,857,358.00		653,843,560.63	
(b) Non current investments	2.12	**1,021,300.00**				1,021,300.00			
(c) Long term loans and advances	2.13	**57,695,429.10**				10,405,079.59			
(d) Other non current assets	2.14	**1,788,543.82**		**60,505,272.92**		1,788,543.82		13,214,923.41	
2. Current Assets									
(a) Inventories	2.15	**1,551,559,467.74**				1,918,644,389.93			
(b) Trade receivables	2.16	**266,657,853.63**				316,880,636.37			
(c) Cash and cash equivalents	2.17	**166,444,547.24**				78,599,989.82			
(d) Short term loans and advances	2.18	**59,772,758.32**				128,111,016.96			
(e) Other current assets	2.19	**32,367,361.80**		**2,076,801,988.73**		164,815,564.05		2,607,051,597.13	
Total				**2,772,181,765.26**				3,274,110,081.17	
Significant accounting policies	1								
Notes on financial statements	2								

As per our report of even date attached hereto
For Mehrotra & Mehrotra
Chartered Accountants
F.R. No.0226C

For and on behalf of the Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

Place: Lucknow
Date: 30.05.2016

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Consolidated Statement of Profit & Loss for the year ended on 31st March, 2016

PARTICULARS	Notes No.	Current Year: Year ended 31st March, 2016 Rs. P.	Current Year: Rs. P.	Previous Year: 18 months ended 31st March, 2015 Rs. P.	Previous Year: Rs. P.
I. **Revenue from operations (Gross)**	2.20	3,648,717,880.59		5,690,558,151.39	
Less: Excise duty and cess		120,050,759.00		186,073,938.00	
Revenue from operations (net)			3,528,667,121.59		5,504,484,213.39
II. Other Income	2.21		61,314,937.02		71,115,094.42
III. **Total Revenue (I + II)**			3,589,982,058.61		5,575,599,307.81
IV. **Expenes**					
Cost of material consumed	2.22		2,038,052,811.80		5,035,076,427.22
Purchase of Stock in trade	2.23		188,891,250.00		447,690,277.00
Change in inventory of finished goods, work in progress and stock in trade	2.24		377,252,961.00		- 1,098,228,982.00
Employee benefits expenses	2.25		93,340,689.44		145,409,327.37
Finance costs	2.26		168,496,697.81		142,046,130.31
Depreciation and amortization expense	2.27		93,002,456.67		142,648,682.91
Other expenses	2.28		531,134,254.98		671,499,016.97
Total expenses			3,490,171,121.70		5,486,140,879.78
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			99,810,936.91		89,458,428.03
VI. Exceptional items			-		-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)			99,810,936.91		89,458,428.03
VIII. Extraordinary item			-		-
IX. Profit/(Loss) before tax (VII-VIII)			99,810,936.91		89,458,428.03
X. Tax expense					
(1) Current Tax			5,064,547.00		10,317,324.00
(2) Deferred Tax			(22,346,724.00)		4,926,819.00
XI. Profit/(Loss) for the year before adjustment of Minority Interest (IX-X)			117,093,113.91		74,214,285.03
XII. Share of (Profit) Transferred to Minority Interest			706.09		(182,919.33)
XIII. Pre-Acquisition Profit of K.M. Sugar Mills Ltd. Included in above calculation			50,818.22		-
XIV. Profit/Loss for the year after adjustment of Minority Interest			117,041,589.60		74,397,204.36
XV Earning per equity share (Nominal value of Rs.2 each)					
(1) Basic (Rs. Per share)			1.27		0.81
(2) Diluted (Rs. Per share)			1.27		0.81
Significant accounting policies	1				
Notes on financial statements	2				

As per our report of even date attached hereto
For Mehrotra & Mehrotra
Chartered Accountants
F.R. No.0226C

For and on behalf of the Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

Place: Lucknow
Date: 30.05.2016

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2016

PARTICULARS	Year ended 31st March, 16 Rs.	P.	Rs.	P.	18 months ended 31st March, 15 Rs.	P.	Rs.	P.
A. CASH FLOW FROM OPERATING ACTIVITIES								
Net Profit/(Loss) before tax and exceptional items			**998.11**				**894.58**	
Adjustment for :								
Depreciation and amortisation expense		**930.02**				1426.49		
Finance costs		**1684.97**				1420.46		
Transfer to storage fund for molasses		**2.13**				10.57		
Provision/reversal of doubtful debts		**0.80**				(271.46)		
Balances written off		**-**				0.61		
Interest income		**(63.31)**				(135.88)		
Profit on sale of fixed assets		**(6.76)**				(22.47)		
Unspent liabilities/balances written back		**(10.92)**				(0.25)		
			2536.93					2428.07
Operating Profit before working capital changes			**3535.04**				**3322.65**	
Adjustment for :								
(Increase)/Decrease in trade and other receivables		**2030.31**				(4113.78)		
(Increase) / Decrease in inventories		**3670.85**				(11522.77)		
Increase / (Decrease) in trade payables & Others		**(2268.80)**				13520.54		
Cash Generated from Operations			**3432.36**				**(2116.01)**	
Direct Tax Paid			**(5.64)**				(103.17)	
Net Cash From Operating Activities (A)			**6961.76**				**1103.47**	
B. Cash Flow from investing activities								
Purchase of fixed assets		**(785.79)**				(2675.31)		
Proceeds from sale of fixed assets		**6.98**				251.18		
Interest income received		**24.39**				123.61		
Net Cash From Investing Activities			***(754.43)***				***(2300.52)***	
C. Cash Flow From Financing activities								
Proceeds for share application money		**631.68**				**-**		
Proceeds of long term borrowings		**923.00**				1699.00		
Rrepayments of long term borrowings		**(618.40)**				(1565.85)		
Proceeds/(repayments) of short term borrowings		**(5412.20)**				3173.83		
Finance cost paid		**(852.96)**				(1604.76)		
Net Cash From Financing Activities			**(5328.88)**				**1702.22**	
Net increase in Cash & Cash Equivalents (A+B+C)			**878.45**				505.17	
D. Opening cash and cash equivalents			**786.00**				280.83	
E. Closing cash and cash equivalents			**1664.45**				786.00	
Increase in Cash & Cash Equivalents (D-E)			**878.45**				505.17	

Notes:

1) The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules, 2006.

2) Cash and cash equivalents at year end comprises:

Cash on hand	12.79	22.03
Cheque on hand	401.52	17.12
Balances with scheduled banks		
- current accounts	253.64	209.12
- fixed deposit accounts	973.48	517.81
- Molasses stoage fund in S/B Account	23.02	19.93
	1,664.45	786.00

As per our report of even date attached hereto
For Mehrotra & Mehrotra
Chartered Accountants
F.R. No.0226C

For and on behalf of the Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

Place: Lucknow
Date: 30.05.2016

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Notes forming part of Financial Statement

Note 1-A. Basis of consolidation :

The consolidated financial statements relate to K M Sugar Mills Limited ("The Company") and its Subsidiary namely K M Energy Pvt. Ltd. The Company and its Subsidiary constitute the Group.

1.1 Basis of preparation of consolidated financial statements

i. The financial statements of the Subsidiary used in the consolidation are drawn upto the same balance sheet date as of the Company i.e. 31st March, 2016.

ii. The preparation of the consolidated financial statements of the Group in conformity with GAPP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates made in the preparation of the financial statements are prudent and reliable. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

These consolidated financial statements are based, in so far as they relate to amounts included in respect of the Subsidiary, on the audited financial statements prepared for consolidation in accordance with the requirements of Accounting Standard - 21 and Accounting Standard - 23 for each of the included entities.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses there on have been fully eliminated.

ii. The excess of cost to the Company of its Investments in the Subsidiary over its Share of Equity of the Subsidiary, at the date on which the investments are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. The Goodwill so arising on consolidation of subsidiary is amortised in 5 years.

iii. The Minority Interest in the net assets of the Subsidiary on the date of Balance Sheet is Nil as the net worth of the Subsidiary has been fully eroded. Accordingly, the Minority Share in the loss up to the date of Investment in the Subsidiary has been adjusted with the Share of Majority and shown as Goodwill. Minority Share of losses subsequent to the date of Investment has also been adjusted with the Share of the Majority.

iv. Company considered in Consolidated Financial Statements:

Name of the Company	Country of incorporation	Percentage of ownership interest as at		Financial year ends on
		31.03.2016	31.03.2015	
K M Energy Pvt. Ltd.	India	99.63%	73.00%	31st March

Note 1-B Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for revaluation of certain Fixed Assets, in accordance with the Companies Act, 2013 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. 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. Based on the nature of operations and time between procurement of raw material and realization in cash and 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.

1.2 Use of Estimates

The preparation of the Financial Statements in conformity with GAPP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

1.3 Significant Accounting Policies

a) Fixed Assets

i) Tangible Fixed Assets are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation. All costs including financing costs relating to borrowing till commencement of commercial production attributable to the fixed assets are capitalized.

ii) Depreciation on tangible fixed assets 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 statement of Profit & Loss from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

iii) Tangible Fixed Assets costing up to Rs.5,000/- are being depreciated fully in the year of their put to use.

iv) Depreciation/amortization on assets added, sold or discarded during the year is provided on pro-rata basis.

v) 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.

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

b) Revenue Recognition and Expenses

i. Revenue from the sale of products is recognized when the property in goods is transferred to the buyer for a consideration. Revenue from service transaction is recognized as the service is performed.

ii. Insurance claims have been accounted for on cash basis as per past practice.

iii. Revenue from certified emission reductions (CERs) and renewable emission certificate (REC) is recognized on cash basis in the absence of reasonable assurance that future economic benefits will flow from the same to the company.

iv. All the expenses are accounted for on accrual basis.

c) Inventories are valued as under:

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

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 cost are not included in value of inventory.

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

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

d) Investments

Long term Investments are carried at cost. However, provision for diminution is made to recognize decline, other than temporary, in the value of investment, if any. Current Investment is carried at cost or market value, whichever is lower.

e) Employees Benefits

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

(ii) Post employment benefits

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

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

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

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

When the calculation results in a benefit to the Company, the 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 immediately in the statement of profit and loss.

(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.

f) Borrowing Costs
Borrowing costs attributable to the qualifying assets are capitalized up to the period such assets are ready for the intended use and commenced commercial production. All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

g) Government Grants

Government Grants in the nature of Government promoters' contribution, i e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.

h) 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.

i) Foreign Currency Transactions

a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates.

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

c) 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.

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

j) Taxes on Income

i. 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.

ii. Deferred Tax is recognized on timing differences between accounting income and taxable income for the period, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

iii. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Assets in respect to brought forward losses/unabsorbed depreciation is recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

k) Impairment of Assets

Impairment of individual assets/cash generating unit (a group of assets that generates identified independent cash flows) are identified using external and internal sources of information and impairment loss if any, is determined and recognized in accordance with the Accounting Standard 28 issued in this regard by the Institute of Chartered Accountants of India.

l) Leases

Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis.

m) Provisions, Contingent Liabilities and Contingent Assets

i. Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

ii. Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

iii. 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.

iv. A contingent asset is not recognized in the financial statements.

v. Provisions and contingent liabilities are reviewed at each balance sheet date.

n) Segment Reporting

Primary Segment

Based on the guiding principles given in the Accounting Standard-17 "Segment Reporting" issued by ICAI, the Company's segments are Sugar, Power Generation and Distillery.

Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the respective segment.

Segment Identification

Business segments have been identified on the basis of the nature of products/ services, the risk return profile of individual business, the organizational structure and the internal reporting system of the company.

o) Excise duty in respect of finished goods held in stock has been accounted for at the end of the year and is included in the value of closing stock.

p) Earning 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.

q) 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.

Note 2.1 - Share Capital

PARTICULARS	Current Year As at 31-March-2016 Rs.	P.	Previous Year As at 31-March-2015 Rs.	P.
AUTHORISED				
100,000,000 Equity Shares of Rs. 2/- each	**200,000,000.00**		200,000,000.00	
ISSUED, SUBSCRIBED AND FULLY PAID UP	**184,000,340.00**		184,000,340.00	
92,000,170 Equity Shares of Rs. 2/- each				
TOTAL	**184,000,340.00**		184,000,340.00	

a. Reconciliation of Number of Shares

	No. of shares	Amount
Shares outstanding as at 1st April, 2015	92,000,170	184,000,340
Shares outstanding as at 31st March, 2016	92,000,170	184,000,340

b. List of Shareholders holding more than 5% of the total number of shares issued by the company:

Name of the shareholder	As at 31-March-2016 No. of shares	% shareholding	As at 31-March-2015 No. of shares	% shareholding
L K Jhunjhunwala	5602600	6.09	5602600	6.09
P C Jhunjhunwala	9946600	10.81	9944100	10.81
L K Jhunjhunwala (HUF)	10065900	10.94	10065900	10.94
Marvel Business Pvt. Ltd.	12450951	13.53	12450951	13.53

The Company has issued only one class of equity shares having a par value of Rs.2 per share. Each holder of Equity Share is entitled to one vote per share. No dividend has been proposed.

Note 2.2 - Reserves and Surplus

PARTICULARS	Current Year As at 31-March-2016 Rs.	P.	Previous Year As at 31-March-2015 Rs.	P.
a. General Reserve				
Balance as per last account	**122,019,139.87**		122,019,139.87	
Less: Deduction on account of depreciation	**4,201,601.67**	**117,817,538.20**	-	122,019,139.87
b. Capital Reserve				
Balance as per last account	**4,833,000.00**			4,833,000.00
Add : Arise on Consolidation	**50,818.22**	**4,883,818.22**		
c. Initial Depreciation Reserve				
Balance as per last account		**172,449.73**		172,449.73
d. Molasses Storage Fund				
Balance as per last account	**716,021.10**		4,058,541.10	
Less: Withdrwal/reversal during the year	**-**		-	
Less: Transfer to Statement of Profit & Loss	**-**		4,400,000.00	
Add: Transferred from Statement of Profit & Loss	**212,732.00**	**928,753.10**	1,057,480.00	716,021.10
e. Fixed Asset Revaluation Reserve				
Balance as per last account	**2,111,099.81**		2,741,510.05	
Less: Utilised for set off against depreciation	**323,631.60**	**1,787,468.21**	630,410.24	2,111,099.81
f. Sugar Price Equalisation Reserve				
Balance as per last account		**1,239,508.05**		1,239,508.05
g. Securities Premium Account				
Balance as per last account	**268,801,428.00**	**268,801,428.00**		268,801,428.00
h. Surplus/(Deficit) in Statement of Profit & Loss				
Balance as per last account	**(408,417,436.43)**		(487,214,640.79)	
Add: Transfer from Molasses Storage Fund	**-**		4,400,000.00	
Add: Profit/(Loss) for the current year	**117,041,589.60**	**- 291,375,846.83**	74,397,204.36	(408,417,436.43)
TOTAL		**104,255,116.68**		(8,524,789.87)

*** Net minority interest is negative**

Molasses Storage Fund has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974 and the storage fund is represented by investment in the form of deposit in saving bank account with a bank amounting to Rs.23.02 lacs (Previous year Rs.19.93 lacs)

Note 2.3 - Long Term Borrowings

PARTICULARS	Current Year As at 31-March-2016 Rs. P. Current	Current Year Non current	Previous Year As at 31-March-2015 Rs. P. Current	Previous Year Non current
Term loans				
From Banks				
Secured				
a. State Bank of India - SEFASU Loan	**26,640,822.00**	**69,300,000.00**	-	95,940,822.00
b. Punjab National Bank - SEFASU Loan	**24,636,000.00**	**47,211,000.00**	2,053,000.00	71,847,000.00
c. Punjab National Bank - Soft Loan	**-**	**92,300,000.00**	-	-
d. Punjab National Bank	**14,760,000.00**	**27,127,167.00**	7,376,000.00	42,000,805.00
e. Allahabad Bank	**40,850,000.00**	**76,074,691.65**	20,450,000.00	116,942,305.65
f. Punjab National Bank - FITL New	**-**	**-**	21,064,307.00	-
g. Allahabad Bank - FITL	**-**	**-**	10,765,168.42	-
Total A	**106,886,822.00**	**312,012,858.65**	61,708,475.42	326,730,932.65
From other entities				
Secured				
a. Sugar Development Fund (SDF) from Govt. of India	**148,500,000.00**	**-**	148,500,000.00	-
Total B	**148,500,000.00**	**-**	148,500,000.00	-
From related parties				
Unsecured loan	**-**	**15,400,000.00**	-	15,400,000.00
Total C	**-**	**15,400,000.00**	-	15,400,000.00
TOTAL (A+B+C)	**255,386,822.00**	**327,412,858.65**	210,208,475.42	342,130,932.65

a. Nature of Securities

i. Rupee Term Loan of State Bank of India (SEFASU), Punjab National Bank (SEFASU) and Punjab National Bank (Soft Loan) are secured by residual charge on entire fixed assets and current assets of the company, present and future, on pari passu basis with other term lenders.

ii. Rupee Term Loan of Punjab National Bank and Allahabad Bank are secured by 4th charge on entire fixed assets of the company on pari passu basis with other term lenders, personal guarantee of two directors, pledge of shares and and corporate guarantee of a company.

iii. FITL of Punjab National Bank and Allahabad Bank are secured by first charge on entire fixed assets of the company on pari passu basis with other term lenders, personal guarantee of two directors, pledge of shares and corporate guarantee of a company.

iv. Rupee Term Loan from SDF are secured by second charge on Company's immovable and movable properties both present and future.

v. Unsecured loan from related parties represent promoters contribution as per CDR approval.

b. Terms of repayment

Name of the banks / entities	Interest Rate %	Amount Outstanding as on 31, March, 2016 Current Rs.	Amount Outstanding as on 31, March, 2016 Non Current Rs. P.	1-2 years	2-3 years	3 years and above
State Bank of India SEFASU loan	0.75	26,640,822	69,300,000	32,040,000	32,040,000	5,220,000
Punjab National Bank SEFASU loan	0.00	24,636,000	47,211,000	24,636,000	22,575,000	-
PNB Soft loan		-	92,300,000	23,076,000	30,768,000	38,456,000
Punjab National Bank	11.00	14,760,000	27,127,167	17,560,000	9,567,167	-
Allahabad Bank	11.50	40,850,000	76,074,692	48,600,000	27,474,692	-
Sugar Development Fund (SDF) from Govt. of India	4.00	148,500,000	-	-	-	-
Unsecured loan	-	-	15,400,000	-	-	15,400,000
Total		255,386,822	327,412,859	145,912,000	122,424,859	59,076,000

a. 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.
b. Interest sub-vention to the extent of 12% on SEFASU loan from State Bank of India and Punjab National Bank is to be funded by Central Government. State Bank of India SEFASU Loan is at 12.75%.
c. Interest sub-vention to the extent of 10% on Soft loan from Punjab National Bank is to be funded by Central Government for one year.

c. The company has defaulted in repayment of loans and interest in respect of the following

PARTICULARS	As at 31-March-2016 Rs. P.		As at 31-March-2015 Rs. P.	
	Due date and (default months)	Amount	Due date and (default months)	Amount
Term loans				
From other entities				
(i) Sugar Development Fund (SDF) from Govt. of India.				
Principal	05.03.2011 (61)	16,500,000	05.03.2011 (49)	16,500,000
	05.09.2011 (55)	16,500,000	05.09.2011 (43)	16,500,000
	05.03.2012 (49)	16,500,000	05.03.2012 (37)	16,500,000
	05.09.2012 (43)	16,500,000	05.09.2012 (31)	16,500,000
	05.03.2013 (37)	16,500,000	05.03.2013 (25)	16,500,000
	05.09.2013 (31)	16,500,000	05.09.2013 (19)	16,500,000
	05.03.2014 (25)	16,500,000	05.03.2014 (13)	16,500,000
	05.09.2014 (19)	16,500,000	05.09.2014 (7)	16,500,000
	05.03.2015 (13)	16,500,000	05.03.2015 (1)	16,500,000
Total		148,500,000		148,500,000
Interest				
	05.03.2015 (13)	8,228,310	05.03.2015 (1)	8,228,310
	05.09.2016 (7)	6,683,052		
	05.03.2016 (1)	9,417,254		
Total		24,328,616		8,228,310

Note 2.4 - Deferred tax liabilities

PARTICULARS	As at 31-March-2016 Rs. P.		As at 31-March-2015 Rs. P.	
Deferred Tax Liabilities				
Depreciation		**65,869,236.00**		78,485,177.00
Deferred Tax Assets				
Carried forward losses	**18,724,223.00**		19,249,201.00	
Expenses allowable for tax purpose when paid	**31,729,445.00**	**50,453,668.00**	21,473,684.00	40,722,885.00
TOTAL		15,415,568.00		37,762,292.00

Refer note no. 2.29 (8)

Note 2.5 - Other long term liabilities

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Loan from UP Government *	**1,450,000.00**	1,450,000.00
Others	**796,321.85**	796,321.85
Total	**2,246,321.85**	2,246,321.85

*Refer note no. 2.29 (7)

Note 2.6 - Long term provisions

PARTICULARS	As at 31-March-2016 Rs. P.	Rs. P.	As at 31-March-2015 Rs. P.	Rs. P.
Provisions for employees benefit				
Unavailed leave	**3,264,504.00**		2,457,664.00	
Gratuity	**301,900.00**	**3,566,404.00**	3,541,656.00	5,999,320.00
Other Provision including Excise duty		**204,259,676.00**		135,529,759.00
TOTAL		**207,826,080.00**		141,529,079.00

Note 2.7 - Short term borrowings

PARTICULARS	As at 31-March-2016 Rs. P.	Rs. P.	As at 31-March-2015 Rs. P.	Rs. P.
Loan repayable on demand				
Working capital loans				
From banks				
Secured				
a. State Bank of India	**128,319,104.63**		452,485,753.14	
b. Punjab National Bank	**234,559,113.58**		373,310,328.30	
c. The Federal Bank Ltd.	**485,817.10**		78,383,346.10	
d. Union Bank of India	**-**	**363,364,035.31**	404,322.36	904,583,749.90
Other Loans and advances				
Unsecured				
From Others		**1,040,840.00**		1,040,840.00
TOTAL		**364,404,875.31**		905,624,589.90

Summary of short term borrowings
Secured borrowings
Nature of Securities

i. Working capital loans from State Bank of India is secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohal, book debts and other current assets of the company, third pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of three Directors, pledge of shares and corporate guarantee of a company.

ii. Working capital loan from Punjab National Bank is secured by pledge of stock of Crystal sugar, third pari passu charge with other working capital capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of two Directors, pledge of shares and corporate guarantee of a company.

iii. Working capital loans from The Federal Bank Ltd. is secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohal, book debts and other current assets of the company, third pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of two Directors, pledge of shares and corporate guarantee of a company.

iv. Loan from Union Bank of India is secured against a fixed deposit of Rs.5 lacs pledged with the bank.

Note 2.8 - Trade Payables

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Trade payable (Other than acceptance)*	**949,895,700.95**	1,248,579,693.96
Total	**949,895,700.95**	1,248,579,693.96

* Includes Rs.12.59 lacs due to micro and small enterprises. [Refer note no.2.29 (14)]

Note 2.9 - Other current liabilities

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
i. Current maturities of long term debt*	**255,386,822.00**	210,208,475.42
ii. Payable to capital goods supplier	**4,840,931.04**	7,231,982.04
iii. Staturory liabilities **	**110,243,510.00**	102,904,088.28
iv. Advances from Customers	**12,547,707.27**	29,982,225.72
v. Interest accrued but not due on borrowings	**64,242,389.00**	-
vi. Interest accrued and due on borrowings	**27,248,112.00**	8,289,148.00
vii. Security Deposits	**18,956,807.38**	30,789,828.32
viii. Outstanding liability of related party	**6,470,096.13**	9,504,471.61
ix. Salary and other payables to employees	**10,125,475.64**	9,972,711.52
x. Others	**41,418,671.60**	9,278,737.10
TOTAL	**551,480,522.06**	418,161,668.01

* Refer note no.2.3 (a), (b) & (c) for nature of securities and terms of repayment respectively.
** Include Excise Duty and Cess on closing stock.

Note 2.10 - Short term provisions

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Provision for employee benefit -				
Unavailed leave	**237,829.00**		177,317.00	
Gratuity	**1,993,766.00**	**2,231,595.00**	2,578,556.00	2,755,873.00
For Income Tax				
TOTAL		**2,231,595.00**		2,755,873.00

Notes forming part of financial statements...

Note 2.11- Fixed Assets

Particulars	Tangible assets								Intangible Assets	Capital work in progress	Grand Total
	Land (Lease hold)	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Computer software		
Gross Block											
Balance as at 01.04.2015	1,647,775.67	5,972,794.00	58,838,459.85	2,059,190,432.62	26,716,116.65	27,257,781.32	6,283,148.87	10,381,289.58	2,214,132.00	4,857,358.00	2,203,359,288.56
Additions	-	18,141,816.00	2,357,901.00	36,010,427.16	10,822,435.27	10,389,449.00	2,490,555.00	874,004.00	-	22,563,031.98	103,649,619.41
Disposal/Deduction	-	-	-	1,914,572.00	-	-	24,622.00	-	-	25,069,554.83	27,008,748.83
Balance as at 31.03.2016	**1,647,775.67**	**24,114,610.00**	**61,196,360.85**	**2,093,286,287.78**	**37,538,551.92**	**37,647,230.32**	**8,749,081.87**	**11,255,293.58**	**2,214,132.00**	**2,350,835.15**	**2,280,000,159.14**
Depreciation											
Balance as at 01.04.2015	-	-	24,862,024.65	1,483,974,615.50	9,587,727.46	16,314,053.87	4,632,505.34	8,536,019.05	1,608,782.06	-	1,549,515,727.93
Depreciation for the year	-	-	6,042,740.79	72,526,303.67	6,658,598.02	5,241,389.13	930,253.08	1,544,634.10	382,169.47	-	93,326,088.27
Disposal/Deduction	-	-	-	1,914,572.00	-	-	3,190.34	-	-	-	1,917,762.34
Balance as at 31.03.2016	**-**	**-**	**30,904,765.44**	**1,554,586,347.17**	**16,246,325.48**	**21,555,443.00**	**5,559,568.08**	**10,080,653.15**	**1,990,951.53**	**-**	**1,640,924,053.86**
Transfer to Retained Earning			**681,201.02**	**3,013,358.52**	**20,232.97**	**43,704.52**	**349,074.46**	**91,499.53**	**2,530.65**		4,201,601.67
Net Block as 31.03.2016	**1,647,775.67**	**24,114,610.00**	**29,610,394.39**	**535,686,582.09**	**21,271,993.47**	**16,048,082.80**	**2,840,439.33**	**1,083,140.91**	**220,649.82**	**2,350,835.15**	**634,874,503.61**

Fixed Assets Previous year

Particulars	Tangible assets								Intangible Assets	Capital work in progress	Grand Total
	Land (Lease hold)	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Computer software		
Gross Block											
Balance as at 01.10.2013	2,010,875.67	-	37,406,580.12	1,836,674,744.85	9,075,016.44	17,510,958.32	5,395,399.62	8,655,818.58	1,564,632.00	44,394,553.75	1,962,688,579.35
Additions	-	5,972,794.00	21,431,879.74	246,632,543.77	17,641,100.21	12,126,763.00	887,749.25	1,725,471.00	649,500.00	156,950,898.69	464,018,699.66
Disposal/Deduction	363,100.00	-	-	24,116,856.00	-	2,379,940.00	-		-	196,488,094.44	223,347,990.44
Balance as at 31.03.2015	1,647,775.67	5,972,794.00	58,838,459.86	2,059,190,432.62	26,716,116.65	27,257,781.32	6,283,148.87	10,381,289.58	2,214,132.00	4,857,358.00	2,203,359,288.57
Depreciation											
Balance as at 01.10.2013	-	-	22,554,761.01	1,353,897,714.55	7,479,980.69	13,482,570.58	4,227,300.14	7,061,021.31	1,521,179.50	-	1,410,224,527.78
Depreciation for the year	-	-	2,307,263.65	131,869,747.99	2,107,746.73	5,026,529.30	405,205.17	1,474,997.76	87,602.56	-	143,279,093.16
Disposal/Deduction	-	-	-	1,792,847.00	-	2,195,046.00	-	-	-	-	3,987,893.00
Balance as at 31.03.2015	**-**	**-**	24,862,024.66	1,483,974,615.54	9,587,727.42	16,314,053.88	4,632,505.31	8,536,019.07	1,608,782.06	**-**	1,549,515,727.94
Transfer to Retained Earning	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Net Block as 31.03.2015	1,647,775.67	5,972,794.00	33,976,435.20	575,215,817.08	17,128,389.23	10,943,727.44	1,650,643.56	1,845,270.51	605,349.94	4,857,358.00	653,843,560.63

Note: Leasehold land includes land valuing Rs.16 lacs acquired through Official Liquidator. However, the said land is not registered in the name of the company.

Note 2.12 - Non-current Investments

PARTICULARS	Face Value	As at 31st March, 2016 No. of shares	As at 31st March, 2016 Rs.	As at 31st March, 2015 No. of shares	As at 31st March, 2015 Rs.
Non Trade Investments					
Unquoted (valued at cost)					
a. In equity shares of companies fully paid up					
Chamoli Hydro Power (P) Ltd.	10	1,000	10,000.00	1,000	10,000.00
K M Shakar Karkhana Pvt Ltd	10	25,000	1,000,000.00	25,000	1,000,000.00
			-		
b. Share application money in subsidiary company			-		
Chamoli Hydro Power (P) Ltd.					
Other Investments					
Quoted (valued at cost)					
c. In equity shares of companies fully paid up					
Reliance Industries Ltd.	10	84	5,876.00	84	5,876.00
Reliance Communication Ltd.	5	42	4,373.00	42	4,373.00
Reliance Infrastructure Ltd.	10	3	825.00	3	825.00
Reliance Capital Ltd.	10	2	147.00	2	147.00
Reliance Power Ltd.	10	10	79.00	10	79.00
Aggregate amount of unquoted investments Rs.10,10,000/-					
Aggregate amount of quoted investments Rs.11,300/-					
Aggregate market value of listed and quoted investments Rs.74,478/- (Previous year Rs.76,461/-)					
Total			**1,021,300.00**		1,021,300.00

Note 2.13 Long-term loans and advances (unsecured, considered good unless stated otherwise)

PARTICULARS	As at 31-March-2016 Rs.	P.	As at 31-March-2016 Rs.	P.	As at 31-March-2015 Rs.	P.	As at 31-March-2015 Rs.	P.
Capital advances			**158,000.00**				158,000.00	
Security deposits			**55,491,994.46**				3,867,594.46	
Other loans and advances								
Advance to suppliers and others								
Considered Good		**-**				-		
Considered doubtful		**30,901,018.01**				31,357,798.21		
Less: Allowance for doubtful advance		**30,901,018.01**				31,357,449.72		
		-				348.49		
Income Tax payments		**1,258,284.64**				5,637,906.64		
(Net of provision Rs.153.82 lacs previous year Rs.103.17 lacs)								
Duties and taxes paid under protest		**787,150.00**	**2,045,434.64**		741,230.00		6,379,485.13	
Total			**57,695,429.10**				10,405,079.59	

Note 2.14 Other non-current assets (unsecured, considered good unless stated otherwise)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Fixed deposits with banks (Non current portion with original maturity period of more than 12 months)	-	
For a loan held by District Magistrate, Faizabad*	**1,450,000.00**	1,450,000.00
Interest accrued but not due	-	-
Others	**338,543.82**	338,543.82
Total each Fully paid up)	**1,788,543.82**	1,788,543.82

Refer note no. 2.29 (7)

Note 2.15 Inventories (valued at lower of cost and net realisable value, unless stated otherwise)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Raw materials				
Molasses in Distillery Division		**14,725,800.00**		23,170,500.00
Rectified Spirit		**1,946,177.00**		13,859,139.00
Work-in-progress				
Biocompost	**54,193.00**	**54,193.00**	211,456.00	211,456.00
Finished goods				
Sugar	**1,343,348,274.00**		1,654,485,719.00	
Molasses	**81,459,525.00**		119,911,050.00	
Industrial Alcohal	**60,760,180.00**		43,787,150.00	
Country liquor	-		1,031,722.00	
Bagasse	**5,913,584.00**		15,414,528.00	
Banked power	**6,310,339.00**		3,701,552.00	
Pressmud	**164,798.00**	**1,497,956,700.00**	64,616.00	1,838,396,337.00
Stores and spares		**36,876,597.74**		43,006,957.93
Total		**1,551,559,467.74**		1,918,644,389.93

Refer note no. 1.3 significant accounting policies

Note 2.16 Trade receivables (unsecured, considered good)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.	As at 31-March-2015 Rs. P.
Trade receivables outstanding for a period exceeding 6 months from due date				
a. Considered good	**2,679,933.45**		42,482,126.59	
b. Considered doubtful	**4,163,049.24**		3,626,938.07	
	6,842,982.69		46,109,064.66	
Less: Provision for doubtful debts	**4,163,049.24**	**2,679,933.45**	3,626,849.78	42,482,214.88
Other trade receivables- considered good		**263,977,920.18**		274,398,421.49
Total		**266,657,853.63**		316,880,636.37

Note 2.17 Cash and cash equivalents

PARTICULARS	As at 31-March-2016 Rs. P.	Rs. P.	As at 31-March-2015 Rs. P.	Rs. P.
Balances with banks				
In current accounts	25,363,287.31		20,908,553.96	
In EEFC account	333.00	25,363,620.31	3,255.00	20,911,808.96
Cheques on hand		40,151,896.00		1,711,775.00
Cash on hand		1,278,686.35		2,202,853.28
Fixed deposit for Bank guarantee deposited with bank as margin money -Earmarked				
Maturity period upto 12 months	45,651,409.00		3,219,973.00	
Maturity period more than 12 months	51,696,900.00	97,348,309.00	48,561,000.00	51,780,973.00
Molasses storage fund in S/B account (Earmarked)		2,302,035.58		1,992,579.58
Total		166,444,547.24		78,599,989.82

Note 2.18 Short-term loans and advances (unsecured, considered good)

PARTICULARS	As at 31-March-2016 Rs. P.	Rs. P.	As at 31-March-2015 Rs. P.	Rs. P.
Loan and advances to related parties				
Considered good		-		-
Security deposits		4,811,756.85		5,889,756.85
Other loans and advances				
Advance to suppliers and others	41,786,147.24		101,141,772.75	
Advance to employees	1,277,295.23		1,517,754.89	
Cenvat, Vat and other taxes/duties	6,534,405.50		14,271,812.50	
Prepaid expenses	4,648,307.50		5,003,988.00	
Others	714,846.00	54,961,001.47	285,931.97	122,221,260.11
K M Shakar Karkhana Pvt Ltd				
Total		59,772,758.32		128,111,016.96

Note 2.19 Other current assets (unsecured, considered good)

PARTICULARS	As at 31-March-2016 Rs. P.	As at 31-March-2015 Rs. P.
Interest accrued / receivable	5,461,830.89	1,569,725.89
Cane Price and Commission receivable*	22,407,502.91	138,293,001.16
Others	4,498,028.00	24,952,837.00
Total	32,367,361.80	164,815,564.05

Refer note no. 2.29 (10)

Note 2.20 Revenue from operations

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Sale of goods (Gross)		
Sugar (Including trading Rs.1726.35 lacs Previous year Rs. 4893.95 Lacs)	2,729,712,850.00	4,474,097,303.00
Molasses	-	-
Power	196,789,014.00	416,771,040.00
Industrial alcohol	382,257,001.00	554,178,678.00
Country liquor	263,910,605.24	83,349,749.14
Bagasse sale	74,748,971.35	160,406,329.25
Bio compost manure	1,299,439.00	1,755,052.00
Revenue from operations (Gross)	3,648,717,880.59	5,690,558,151.39
Less : Excise duty, cess and administrative charges on sale of goods	120,050,759.00	186,073,938.00
Revenue from operations (Net)	3,528,667,121.59	5,504,484,213.39

Note 2.21 Other income

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Interest income		
Fixed deposits with banks	6,246,633.00	2,117,555.89
Others	83,965.00	11,470,609.00
Other non-operating income		
Net gain on foreign currency transactions and translations	56.00	581,648.50
Insurance claims	161,796.00	1,318,219.00
Profit on sale of fixed assets	676,210.00	2,247,045.00
Unspent liabilities/balances written back	1,092,458.13	25,000.00
Carbon credit/REC receipt	18,437,272.00	15,416,220.00
Miscellaneous income	6,229,137.00	10,067,543.03
Cane commission refund	28,387,409.89	-
Prior period income	-	-
Provision for doubtful debts reversal	-	27,871,254.00
Total	61,314,937.02	71,115,094.42

Note 2.22 Cost of materials consumed

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Sugar cane*	1,905,996,836.18	5,003,084,065.82
Molasses	21,645,831.00	27,851,630.40
Spirit	110,410,144.62	4,140,731.00
Total	2,038,052,811.80	5,035,076,427.22

* Refer note no.2.29 (10)

Note 2.23 Purchases of stock-in-trade

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Sugar	188,891,250.00	447,690,277.00
Total	188,891,250.00	447,690,277.00

Note 2.24 Changes in inventories of finished goods, by-products and work-in-progress

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Finished goods				
Opening stock				
Sugar	1,654,485,719.00		667,971,292.00	
Molasses	143,081,550.00		32,414,403.00	
Bagasse	15,414,528.00		2,989,490.00	
Industrial alcohol	43,787,150.00		6,920,115.00	
Country liquor	1,031,722.00		-	
Banked Power	3,701,552.00		805,448.00	
Carbon credit	-		728,797.00	
Pressmud	64,616.00			
Biocompost manure	-	1,861,566,837.00	-	711,829,545.00
Less : Closing stock				
Sugar	1,343,348,274.00		1,654,485,719.00	
Molasses	96,185,325.00		143,081,550.00	
Bagasse	5,913,584.00		15,414,528.00	
Industrial alcohol	60,760,180.00		43,787,150.00	
Country liquor	-		1,031,722.00	
Banked Power	6,310,339.00		3,701,552.00	
Carbon credit	-		-	
Pressmud	164,798.00	1,512,682,500.00	64,616.00	1,861,566,837.00
Total (A)		348,884,337.00		(1,149,737,292.00)
Work-in-progress				
Opening stock		211,456.00		-
Less : Closing stock		54,193.00		211,456.00
Total (B)		157,263.00		(211,456.00)
Total (A+B)		349,041,600.00		(1,149,948,748.00)
Less: Difference of Excise Duty on opening and closing stock		28,211,361.00		51,719,766.00
Total		377,252,961.00		(1,098,228,982.00)

Note 2.25 Employee benefits expense

PARTICULARS	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Salary, wages and bonus	81,669,318.44	128,239,103.37
Contribution to Provident Fund and other Funds	8,007,659.00	10,604,186.00
Workmen and Staff Welfare Expenses	1,368,046.00	2,347,388.00
Gratuity	2,295,666.00	4,218,650.00
Total	93,340,689.44	145,409,327.37

Note 2.26 Finance costs

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Year ended 31st March, 2016 Rs. P.	18 months ended 31st March, 2015 Rs. P.	18 months ended 31st March, 2015 Rs. P.
Interest expense				
Cash Credit	116,840,422.00		68,112,130.00	
Term loan	45,426,675.40		68,131,648.39	
Others	112,540.49	162,379,637.89	1,039,525.00	137,283,303.39
Documentation and other bank charges		6,117,059.92		4,762,826.92
Total		168,496,697.81		142,046,130.31

Note 2.27 Depreciation and amortisation expense

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Rs. P.	18 months ended 31st March, 2015 Rs. P.	Rs. P.
Depreciation and amortisation on tangible assets	92,943,918.80		143,191,490.59	
Less: Transferred from revaluation reserve	323,631.60	92,620,287.20	630,410.24	142,561,080.35
Amortisation on intangible assets		382,169.47		87,602.56
Total		93,002,456.67		142,648,682.91

Note 2.28 Other expenses

PARTICULARS	Year ended 31st March, 2016 Rs. P.	Rs. P.	18 months ended 31st March, 2015 Rs. P.	Rs. P.
Consumption of stores and spare parts		27,160,676.04		57,375,232.55
Packing materials		118,236,760.30		102,081,946.52
Power and fuel		34,153,102.71		36,836,886.51
Rent		17,643,382.00		11,997,538.00
Repairs				
Buildings	13,741,848.17		32,657,962.55	
Machinery	94,988,194.39		129,141,157.18	
Others	11,204,686.47	119,934,729.03	15,228,198.36	177,027,318.09
Insurance		3,188,060.00		4,450,189.00
Rates and taxes (excluding taxes on income)		12,075,268.58		5,177,655.12
Selling Expenses :				
Commission to Selling Agents	5,611,785.00		8,696,010.00	
Other Selling Expenses	10,542,306.00		20,211,732.00	
Selling Expenses on Sugar Trading	-	16,154,091.00	37,935,469.00	66,843,211.00
Payments to auditor				
Statutory audit fee	403,500.00		305,000.00	
Tax audit fee	100,000.00		200,000.00	
For other services	302,200.00		-	
Reimbursement of expenses	16,500.00	822,200.00	59,145.00	564,145.00
Charity and donation		44,352.00		159,553.00
Printing and stationary		1,244,051.00		1,714,243.53
Communication expenses		1,431,166.37		2,301,208.74
Travelling Expenses		19,376,359.27		27,698,657.02
Consultancy and legal expenses		8,102,961.76		13,397,817.62
Director sitting fee		143,000.00		185,000.00
Director remuneration		9,000,000.00		10,750,000.00
Miscellaneous expenses		29,409,795.79		33,993,371.74
CSR Expenditure		2,052,783.00		
Provision of Excise Duty demand		-		115,417,752.00
Loss of destroyed raw material		495,153.38		
MGQ charges		36,981,397.00		
State Excise Duty, VAT and fee		72,966,777.00		
Transfer to storage fund for molasses		212,732.00		1,057,480.00
Provision for doubtful debts and advances		79,767.75		724,849.78
Balances written off		-		60,636.75
Prior period expenses		225,689.00		1,684,325.00
TOTAL		531,134,254.98		671,499,016.97

Note 2.29 Notes to the accounts

2.29 Other Disclosures:

1. Contingent liabilities and commitments (to the extent not provided for and as certified by the management)

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under labour laws - Rs.161.60 lacs (Previous Year - Rs.150.14 lacs).

(ii) Claims against the company not acknowledged as debts in respect of criminal and Civil Cases Rs.33.71 lacs (Previous Year -Rs.35.43 lacs).

(iii) Bank guarantees given to the Central Government, Excise Department and Indian Oil Corporation Ltd., aggregating to Rs.587.11 lacs (Previous Year Rs.373.76 lacs).

(iv) Interest recompense payable to lenders under CDR scheme estimated amounting to Rs.214.14 Lacs (Previous Year Rs.676.43 lacs). It is stipulated that minimum 75% of the recompense amount should be recovered by the lenders in terms of CDR circular.

v) As per the amended provision of the Bonus Act, differential amount of bonus liability of Rs.16.93 lacs for F.Y. 2014-2015.

(vi) Disputed sales tax, income tax and excise duty cases under appeal - Rs.33181.82 lacs (Previous Year Rs.24603.80 lacs)

Description	Current Year Rs. in lacs	Previous Period Rs. in lacs
Central Excise Act	1879.14	1856.46
Sales Tax/Trade Tax/Entry Tax	1.34	0.04
Income Tax	31301.34	22746.02
Others	Nil	1.28
Total	**33181.82**	24603.80

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.

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.

(b) Commitments :

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for- Rs. 8.50 Lacs (Previous Year - Nil).

(ii) Advances paid against above- Nil (Previous Year -Nil).

2. Employee Benefits

As per Accounting Standard -15 'Employees Benefits' the disclosure of Employee Benefits as defined in the Accounting Standard are as follow :

a. Defined contribution plans

Employee benefits in the form of Provident Fund are considered as defined contribution plan. The contribution to defined contribution plan, recognized the following amounts in the Statement of Profit & Loss:

	Current year	Previous period
Employers' contribution to provident fund	Rs.80,07,659/-	Rs.1,06,04,186/-

b. Defined benefits plans

Long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan. 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.

In accordance with the Accounting Standard 15, actuarial valuation was done in respect of gratuity and leave encashment defined benefits plans and details of the same are given below:

	Gratuity Current Year	Gratuity Previous Period	**Leave Encashment Current Year**	Leave Encashment Previous Period
Discount rate (per annum)	**8.00%**	8.00%	**8.00%**	8.00%
Future salary increase	**5.00%**	5.00%	**5.00%**	5.00%
Expected rate of return on plan assets	**8.50%**	8.50%	**0%**	0%
Mortality	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate
I. Expenses recognized in profit and loss account				
Current service cost	**19,14,487**	17,97,812	**6,26,537**	4,96,520
Interest cost	**18,68,009**	22,93,678	**2,10,798**	3,14,161
Expected return on plan assets	**(14,25,215)**	(12,49,926)	**-**	-
Net actuarial loss/ (gain) recognized in the period	**(61,615)**	22,01,344	**11,54,169**	32,89,940
Net expenses recognized	**22,95,666**	50,42,908	**19,91,504**	41,00,621
II. Net liability/(assets) recognized in the balance sheet as at 31st March, 2016				
Present value of obligation at the end of period	**2,40,70,913**	2,33,50,108	**35,02,333**	26,34,981
Fair value of the plan asset at the end of period	**2,00,87,869**	1,55,42,518	**-**	-
Funded status [(surplus/(deficit)]	**(39,83,004)**	(78,07,590)	**(35,02,333)**	(26,34,981)
Net (asset)/liability as at 31st March, 2016	**2,40,70,913**	2,33,50,108	**35,02,333**	26,34,981
III. Change in present value of obligation during the year				
Present value of obligation at the beginning of year	**2,33,50,108**	1,91,31,458	**26,34,981**	26,20,399
Current service cost	**19,14,487**	17,97,812	**6,26,537**	4,96,520
Interest cost	**18,68,009**	22,93,678	**2,10,798**	3,14,161
Benefits paid	**(24,46,147)**	(27,43,754)	**(11,24,152)**	(40,86,039)
Actuarial loss/ (gain) on obligations	**(6,15,544**	28,70,914	**11,54,169**	32,89,940
Present value of obligation at the year end	**2,40,70,913**	2,33,50,108	**35,02,333**	26,34,981
IV. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	**1,55,42,518**	1,38,67,514	**-**	-
Return on plan assets	**8,71,286**	19,19,496	**-**	-
Contributions	**61,20,212**	24,99,262	**-**	
Benefits paid	**(24,46,147)**	(27,43,754)	**-**	-
Actuarial loss/ (gain)			**-**	-
Fair value of plan assets at the year end	**2,00,87,869**	1,55,42,518	**-**	-
Details of plan asset	**Gratuity Trust**	Gratuity Trust	**N/A**	N/A

Note: The Company funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is based on the information certified by the management.

3. Short term loans and advances shown under Notes 2.18 includes certain advances given to suppliers of raw material and revenue purchases, which are adjustable against the supply of goods/services. The management is of the opinion that these balances are recoverable/adjustable in future and accordingly, provision against the same has not been

considered at this stage.

4. Certain bank accounts shown in Notes 2.17 of Cash and Bank balances under sub-head 'Balance with Banks' are non-operating for last some period and are also subject to reconciliation and receipt of confirmation. As such, the balance of Rs.1.99 lacs shown in respect of those bank accounts in the financial statements is as per books of account only.

5. 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 lacs 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 lacs 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 lac was paid towards Excise Duty on the above. The company has further made a payment of Rs.35.81 lacs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lacs thereon. Still a sum of Rs.12.40 lacs is lying in the Sugar Price Equalization Reserve as on 31.03.16 shown under Note 2.2 of "Reserve & Surplus".

6. Certain balances in account of debtors, advances, deposit account, and creditors are subject to reconciliation and confirmation by the respective parties. In some of the cases, the amount is overdue for last some years and consequential revenue impact, if any, is not ascertainable. However, management has reviewed these advances from its realization point of view and based on the management's working, the required provisions in respect thereof has been considered in these financial statements, wherever necessary. As far as other balances are concerned, the management is of the opinion that these balances are recoverable/adjustable and accordingly, provision against the same has not been considered at this stage and these balances are disclosed in the financial statements as per books of account only. 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. Further, there is no system of charging interest as per market tradition on amount due from sundry debtors and the parties to whom advances extended in the ordinary course of business.

7. Long term liabilities (Note No.2.5) includes a loan from U.P. Government amounting to Rs.14.50 lacs. 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 lacs has been kept with the District Magistrate, Faizabad. In opinion of the management, the interest due on fixed deposit is sufficient to meet out the interest liability of the Company on the said loan and as such, no interest is being provided for in these financial statements.

8. For the purpose of computing deferred tax liability, amount of brought forward losses as claimed in the income tax returns filed has been considered for recognizing deferred tax assets. On the basis of future projections taken on record by the management after considering improved performance of Sugar and Co-gen divisions, the management is confident that there is a virtual certainty that sufficient taxable income will be available in the forthcoming financials years against which, the deferred tax assets can be realized in the normal course of business of the company.

9. Cost of material consumed for the year ended 31st March, 2016 is net of financial assistance of Rs.1819.64 lacs received for sugar season 2014-15 lacs from the State Government.

10. Since, the sugar industry is a seasonal industry; the cost of production of sugar is worked out on annualized basis.

11. Related Party Disclosures:-

Pursuant to compliance of Accounting Standard (AS 18) on related party disclosure, the relevant information is provided here below:-

a) Related party where control exist

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

b) Details of the related parties :

i. Key Management Personnel (Group A)

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director
- Shri S. C. Agarwal -Executive Director
- Shri Rajeev Kumar -Company Secretary
- Shri Arvind Kumar Gupta -Chief Financial Officer

ii. Relatives of Key Management Personnel (Group B)

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

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

- K.M. Plantations (P) Ltd.
- Marvel Business (P) Limited
- Francoise Commerce (P) Limited
- Nidhi Financial Services (P) Limited
- Shree Shakti Credits Limited
- Prakash Properties Limited
- Promissing Logistics (P) Ltd.
- Shailja Properties (P) Ltd.
- Zar International (P) Ltd.
- Shivam Trust
- Vatsal Trust
- Palak Jhunjhunwala Trust
- Shri Laxmi Public Charitable Trust

c) Transactions with the related parties:
(Rs. in Lacs)

Sl no.	Nature of transaction/ Name of the related party	Key Managerial Personnel (KMP)	Enterprises over which KMP and their relatives have substantial interest/ significant influence	Total Current Year (Previous Period)
i.	**Remuneration including PF**			
	Shri L K Jhunjhunwala	40.32 (45.91)	- (-)	40.32 (45.91)
	Shri Aditya Jhunjhunwala	20.45 (24.34)	- (-)	20.45 (24.34)
	Shri Sanjay Jhunjhunwala	20.29 (24.34)	- (-)	20.29 (24.34)
	Shri S. C. Agarwal	18.37 (22.20)	- (-)	18.37 (22.20)
	Shri Rajeev Kumar	9.50 (14.03)	- (-)	9.50 (14.03)
	Shri Arvind Kumar Gupta	12.30 (17.41)	- (-)	12.30 (17.41)
ii.	**Sugar sold**			
	Sri Shakti Credits Ltd.	- (-)	4557.00 (98.50)	4557.00 (98.50)
iii.	**Rent paid**			
	Sri Shakti Credits Ltd.	- (-)	5.40 (8.10)	5.40 (8.10)
	Zar International Pvt. Ltd.	- (-)	1.14 (1.71)	1.14 (1.71)
iv.	**Advance given / Repaid**	- (-)		
	Arvind Kumar Gupta	5.00 (-)	- (-)	5.00 (-)
	Sri Shakti Credits Ltd.	- (-)	- (25.00)	- (25.00)
	Shailja Properties Pvt. Ltd.	- (-)	0.21 (-)	0.21 (-)
	Shri Laxmi Public Charitable Trust	- (-)	- (3.13)	- (3.13)
v.	**Advance received back**			
	Sri Shakti Credits Ltd.	- (-)	- (79.31)	- (79.31)
vi.	**Balance outstanding**			
	a. Inter Corporate Loan receivable			
	K M Energy Pvt. Ltd.	- (-)	- (-)	- (285.00)
	b. Interest receivable			
	K M Energy Pvt. Ltd.	- (-)	- (-)	28.60 (2.95)
	c. Amount receivable			
	Sri Shakti Credits Ltd.	- (-)	365.18 (-)	365.18 (-)
	d. Loans payable			
	Shri L K Jhunjhunwala	31.00 (31.00)	- (-)	31.00 (31.00)
	Shri Aditya Jhunjhunwala	61.50 (61.50)	- (-)	61.50 (61.50)
	Shri Sanjay Jhunjhunwala	61.50 (61.50)	- (-)	61.50 (61.50)
	e. Amount payable			
	Shri L K Jhunjhunwala	13.28 (17.39)	- (-)	13.28 (17.39)
	Shri Aditya Jhunjhunwala	20.60 (11.90)	- (-)	20.60 (11.90)
	Shri Sanjay Jhunjhunwala	23.72 (15.54)	- (-)	23.72 (15.54)
	Shri S. C. Agarwal	1.49 (1.08)	- (-)	1.49 (1.08)
	Sri Shakti Credits Ltd.	- (-)	- (1.44)	- (1.44)
	Zar International Pvt. Ltd.	- (-)	- (3.42)	- (3.42)
	Shailja Properties Pvt. Ltd.	- (-)	- (0.21)	- (0.21)

i. The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms.

ii. No amount has been written back/written off during the year in respect to due to/due from related parties.

iii. The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

12. Segment Reporting: Information on the Segment Reporting of the company for the year ended 31.03.2016:

The company has identified three primary business segments viz. Sugar, Distillery and Co-generation. 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.

(Rs. in Lacs)

Particulars	Sugar		Distillery		Co-Generation		Others		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Revenue										
Gross sales	**32538.95**	56605.50	**6474.67**	6392.83	**3783.89**	8531.13	**-**	-	**42797.51**	71529.46
Less: Inter segment sales	**4494.33**	10260.46	**-**	-	**1816.00**	4363.42	**-**	-	**6310.33**	14623.88
External sales	**28044.62**	46345.04	**6392.83**	6392.83	**1967.89**	4167.71	**-**	-	**36487.18**	56905.58
Less: Excise duty and cess	**906.74**	1263.90	**293.77**	596.84	**-**	-	**-**	-	**1200.51**	1860.74
Net sales	**27137.88**	45081.14	**6180.90**	5795.99	**1967.89**	4167.71	**-**	-	**35286.67**	55044.84
Add: Other income	**396.23**	518.49	**26.13**	22.45	**184.71**	155.23	**-**	14.37	**607.07**	710.60
Total Revenue	**27534.11**	45599.63	**6207.03**	5818.44	**2152.60**	4322.94	**-**	14.37	**35893.74**	55755.44
Segment Results	**2022.07**	1403.14	**(232.92)**	(416.14)	**893.92**	1313.77	**(2.30)**	14.25	**2680.77**	2315.02
Less: Finance costs	**1446.39**	1135.43	**29.80**	10.30	**208.38**	267.93	**-**	-	**1684.57**	1413.66
Profit before tax	**575.68**	267.71	**(262.72)**	(426.44)	**685.54**	1045.84	**(2.30)**	14.25	**996.20**	901.36
Tax										
Current tax									**50.65**	103.17
Deferred Tax									**(223.47)**	49.27
Profit after tax									**1169.02**	748.92
Other Information										
Segment Assets	**20793.39**	25212.86	**2506.64**	3802.77	**3682.06**	3615.51	**11.98**	14.28	**26994.07**	32645.42
Segment Liabilities	**14825.98**	22683.22	**2992.01**	2183.21	**300.37**	110.31	**7.96**	7.96	**18126.32**	24984.70
Capital Expenditure*	**546.38**	1963.79	**51.16**	687.21	**-**	27.34	**-**	-	**597.54**	2678.34
Depreciation	**608.80**	748.34	**150.50**	133.23	**170.72**	544.79	**-**	0.12	**930.02**	1426.48

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

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.

13. Following are the relevant disclosures as required under the Micro, Small & Medium Enterprises Development Act, 2006

a. Sundry creditors include a sum aggregating Rs.Nil (Rs.12.59 lacs) due to micro & small enterprises is on account of principal only.

b. The Amount of interest paid by the Company in terms of Section 16, along with the amount of payment made to the micro & small enterprises beyond the appointed date during the year **Rs. Nil.**

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 this Act. **Rs. Nil.**

d. The amount of interest accrued and remaining unpaid **Rs. Nil.**

e. The amount of further interest remaining due and payable even in succeeding year **Rs. Nil.**

The above mentioned outstanding are in normal course of

business and the information regarding micro & small enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

14. Earning Per Share

In compliance of Accounting Standard (AS-20) on Earning per Share, the relevant information is provided here below:-

	Current year (Amount Rs. In lacs)	**Previous period**
Net Profit/Loss after tax as per statement of Profit & Loss	1169.02	748.92
No. of Equity Shares of Rs. 2 each	92000170	92000170
Earning Per Equity Share (Basic & diluted) Rs.	**1.27**	0.81

15. Directors' Remuneration:-

S. No.		Chairman	Managing Director and Joint Managing Director	Executive Director
a)	Salary (Previous Year)	36,00,000 (41,50,000)	36,00,000 (44,00,000)	18,00,000 (22,00,000)
b)	Contribution to Provident Fund (Previous Year)	4,32,000 (4,41,000)	4,32,000 (4,68,000)	21,600 (19,620)
c)	Perquisites:			
	(i) Residence			
	-Furnished (Previous Year)	- (-)	- (-)	-
	(ii) Residence			
	-Unfurnished (Previous Year)	- (-)	- (-)	1,59,000 (1,65,000)
	(iii)Medical Reimbursement (Previous Year)	(-) (16,023)	42,434 (71,395)	14,946 (88,835)
	(iv) Other benefits	- (-)	- (-)	- (-)
	Total (Previous Year)	40,32,000 (46,07,023)	40,74,434 (49,39,395)	19,95,546 (24,13,455)

Note: The value of perquisites shown above is as per the income tax provisions.

16. Statement of additional information:-

a) Expenditure in Foreign Currency:

Travelling Expenses Rs.30.22 lacs (P.Y.-Rs.44.33 lacs)
Others Rs. 4.90 lacs (P.Y.- Rs.5.42 lacs)

b) Receipt from a debtor in Foreign Currency of old dues: Rs.365.79 lacs (P.Y.- Nil)

c) Receipt of interest in Foreign Currency of old dues: Nil (P.Y.- Rs. 113.94 lacs)

d) Break up of Raw Materials and components consumed.

		Current year %age	Current year Amount (in lacs)	Previous period %age	Previous period Amount (in lacs)
i.	**Raw material**				
	Indigenous	100%	20380.53	100%	50350.76
	Imported	-	-	-	-
ii.	**Stores and packing material**				
	Indigenous	100%	1453.97	100%	1594.57
	Imported	-	-	-	-

17. Depreciation has been aligned to meet the requirements of Schedule -II to the Companies Act, 2013 and accordingly an amount of Rs.35.06 lacs in relation to the assets whose useful life has already exhausted has been adjusted with Retained Earnings.
Had the Company continued to charge depreciation based on rates and manner as specified under the erstwhile Schedule XIV to the Companies Act, 1956, the Profit before Tax for the year ended 31st March, 2016 would have been lower by Rs.147.09 lacs.

18. The borrowings from banks were restructured under Corporate Debt Restructuring Mechanism (CDR) vide letter of approval dated 27.03.2012 issued by CDR EG. The company has proposed to exit from CDR and accordingly has made provision of Rs.642.42 lacs towards interest recompense considering cut-off date 29.02.2016 as per CDR guidelines.

19. As per Bihar State Government directions, the operation of country liquor bottling unit in Bihar shall get discontinued after 31.03.2016. The carrying amount of assets amounting to Rs. 631.80 lacs and liabilities amounting to Rs.1278.36 lacs stand in the books as on 31.03.16 and further, revenue of Rs.2639.11 lacs earned during the year against which a sum of Rs.3755.34 expended during the year.

20. The previous year figures are for the period from 01.10.2013 to 31.03.2015 i.e. for 18 months and the current financial year of the company is for 12 months. As such, the figures of current year are not comparable with previous period's figures.

21. The company has received demand notices of Rs.729.67 lacs towards state excise duty, VAT and fee including penalty in respect to the discontinued bottling operations in Bihar State and the said liability has been provided for in books on the basis of legal opinion taken by the company.

22. The previous period's figures have been regrouped, reclassified, reworked and rearranged wherever necessary to correspond with the current year classification/disclosures. Amounts and other disclosures for the preceding period are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

As per our report of even date attached hereto
FOR MEHROTRA & MEHROTRA
Chartered Accountants
F.R. No.0226C

For and on behalf of the Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

L K Jhunjhunwala
Chairman
DIN-01854647

Place: Lucknow
Date: 30.05.2016

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

K M SUGAR MILLS LIMITED

Regd. Office: 11 MOTI BHAWAN, COLLECTOR GANJ, KANPUR, Uttar Pradesh - 208001
CIN: L15421UP1971PLC003492; **Website:** www.kmsugar.com
E-mail: kmsugar@gmail.com **Phone:** 0512-2310762; 0522-4079561

Notice To Shareholders

Notice is hereby given that the 43rd Annual General Meeting of the K. M. Sugar Mills Ltd. will be held at its Registered Office of the Company at 11- Moti Bhawan, Collector Ganj, Kanpur-208001, on Wednesday,the 28th day of September,2016 at 11:00 a.m. transact the following business:

ORDINARY BUSINESSES:

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended on March 31, 2016 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 on March 31, 2016 and the report of the Auditors thereon and, to consider and pass, with or without modification (s), the following resolutions as the Ordinary Resolutions:

   a. "Resolved that, the audited financial statement of the Company for the financial year ended on March 31, 2016 and the reports of the Board of Directors and Auditors thereon laid before the 43rd Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted."

   b. "Resolved that, the audited consolidated financial statement of the Company for the financial year ended on March 31, 2016 and the report of Auditors thereon laid before the 43rd Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted."

"Resolved further that, the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

2. To appoint a director in place of Shri Sanjay Jhunjhunwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of ShriS.C. Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, New Delhi, retiringAuditors at this Annual General Meeting and are eligible for re- appointment for the year 2016-17 and fix their remuneration-

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Mehrotra&Mehrotra, Chartered Accountants (Firm Registration No 00226C), who have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and have offered themselves for re-appointment, be and is hereby re-appointed as statutory Auditors of the Company till the conclusion of 44th Annual general meeting of the Company, on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors."
"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:-

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

" RESOLVED THAT pursuant to the Provisions of section 148 and other applicable provisions if any of the Companies Act,2013 and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration as approved by the Board on the recommendation of the Audit Committee be paid to M/s. AmanMalviya& Associates, Cost Accountants, Lucknow for conducting cost audit of the Company for the financial year 2016-17 be and is hereby approved."

By order of the Board
For K. M. Sugar Mills Ltd.

Place: Lucknow
Dated: 12.08.2016

Rajeev Kumar
Company Secretary

Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. The proxy need not be member of the company. Proxy to be valid shall be deposited with company not later than 48 hours before the time for holding the meeting.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. As per the Listing Agreement with stock Exchanges, the brief resume, functional expertise of the directors

proposed for reappointment is annexed as Appendix-A.

3. The relevant Explanatory Statement pursuant to Section 102 of the companies Act, 2013, in respect of Special Business is annexed.
4. The register of Members and share transfer books of the Company will remain closed from 23thSeptember,2016 to 28th September,2016 (both days inclusive).
5. Shareholders are requested to intimate to the Company or to the Share Transfer Agent of the Company, M/s. Link Intime (India) Pvt. Ltd. (Formerly known as In Time Spectrum Registry Ltd), change if any, in their registered addresses and also to provide their mailing address for quick response.
6. Members are requested to bring their copies of the Report and Accounts to the meeting.
7. Members who require any information about the accounts to be explained in the meeting are requested to inform the Company about the intended query at least seven days in advance of the meeting.
8. The copy of annual report, notice of general meeting, notice of e-voting, etc. are being sent to the members through e-mail who have registered their email ids with their depository participant (DPs) / Company's Registrar and Transfer Agent (RTA).
9. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications.
10. Members whose e-mail id is not registered with the Company will be sent physical copies of Annual Report, notice of e-voting etc. at their registered address through permitted mode.
11. Annual Reports will also be available in the Financials section on the website of the Company at www.kmsugar.com.
12. Members are requested to opt for electronic mode of communication and support the Green initiatives of the Government. Pursuant to Section 108 of the Companies Act, 2013, the Company provides e-voting facility to the members to exercise their voting right. The process and manner of voting containing detailed instructions is given below in point no.12.

13. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time and Clause 35B of the Equity Listing Agreement, the Company is pleased to provide to the members the facility to exercise their right to vote on resolutions proposed to be considered at the 43rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 24thSeptember,2016 (10:00 am) and ends on 27th September,2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for Voting through electronic means are as under:

i. The shareholders should log on to the e-voting website www.evotingindia.com.

ii. Click on Shareholders.

iii. Now Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Next enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN :

*Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)*

Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is provided through separate letter attached with Annual report .

Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password

confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN for the relevant Company Name i.e. K M Sugar Mills Limited on which you choose to vote.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii. Note for Non Individual Shareholders and Custodians

- *Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.*
- *A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.*
- *After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.*
- *The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.*
- *A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.*

xix. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e.may follow the same instructions as mentioned above for e-Voting.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

xxi. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

xxii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

xxiii. Mr. Amit Gupta, Practicing Company Secretary, Lucknow, (Membership No. FCS 5478 CP No. 4682) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

xxiv. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

xxv. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xxvi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kmsugar.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

By the Order of the Board
For K. M. Sugar Mills Ltd.

Place: Lucknow
Dated: 12.08.2016

Rajeev Kumar
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
AND CLAUSE 49 OF THE LISTING AGREEMENT

Item no. 5

The Board of Directors approved the appointment of M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, as a Cost Auditor of the Company for conducting cost audit for the financial year 2016-17 in the meeting held on 30.05.2016 at the remuneration be decided the by the Board on the recommendation of the Audit Committee. Pursuant the provision of section 148 other applicable provisions if any of the Companies Act, 2013 and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

The Board recommends resolution set out in item no. 5 of the notice for approval and ratification to the members as an Ordinary Resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in this resolution. \

By order of the Board
For K. M. Sugar Mills Ltd.

Place: Lucknow
Dated: 12.08.2016

Rajeev Kumar
Company Secretary

Appendix -A

Sr. No.	Name of the Director	Qualification	Directorship of Other Companies	Committee position held in other companies	Professional / expertise	Nos. of shares held / Relationship between directors interse
1.	Mr. Sanjay Jhunjhunwala (DIN-01777954)	B.Com., M.B.A. from U.K.	Shri Shakti Credits Ltd. Progressive Dealer Pvt. Ltd. Promising Logistic Pvt. Ltd. Jhunjhunwala Securities Pvt. Ltd. Thermocraft (India) Pvt. Ltd. Prakash Properties Pvt. Ltd. Brahma Properties Pvt. Ltd.	NIL	Has vast vast experience in Finance and Taxation and operational management of sugar industry	2494600 Nos. of Equity shares (Pledged with Bank) / Related with Shri L.K. Jhunjhunwala and Shri Aditya Jhunjhunwala
2.	Mr. S.C. Agrawal (DIN-02461954)	B.Sc. from the National Sugar Institute	Nil	Nil	Has vast experience of Sugar Technology and leadership skills in heading the Company	B.Sc. from the National Sugar Institute

K M SUGAR MILLS LIMITED
Regd. Office: 11 MOTI BHAWAN COLLECTOR GANJ, KANPUR Uttar Pradesh- 208001
CIN: L15421UP1971PLC003492 E-MAIL: kmsugar@gmail.com
Phone: 0512-2310762 ; 0522-4079561

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID*	CLIENT ID*	FOLIO NO.	NO. OF SHARES

I _____(Name and address of the Shareholder / Proxy) hereby record my presence at the 43rd ANNUAL GENERAL MEETING of the Company held on Wednesday, 28th day of September, 2016 at 11.00 a.m.at 11-Moti Bhawan, Collector Ganj, Kanpur-208001(U.P.).

Signature of Shareholder / Proxy

_____

*Applicable for investors holding shares in electronic form.
Note :-
1. Please complete this attendance slip and hand over it at the entrance of the meeting venue.
2. Only shareholders of the Company or their proxy/(ies) will be allowed to attend the meeting on production of the attendance slip duly completed and signed.

FormNo. MGT-11

Proxy form
[Pursuant to section105(6)of theCompanies Act, 2013andrule 19(3) of theCompanies(Management and Administration) Rules,2014]

CIN : L15421UP1971PLC003492
Name of the company :K M SUGAR MILLS LIMITED
Registered office :11 – Moti Bhavan, Collector Ganj, Kanpur-208001 (U.P.)

Name of the member (s)		**E-mail Id**	
Registered address		***Folio No/ Client Id**	
		***DP ID**	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint -
1)_____Address _____having e-mail id_____; or failing him
2) _____Address _____ having e-mail id_____; or failing him

3)_____Address _____having e-mail id_____
and whose signature(s) are appended below as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the on Wednesday, 28th day of September, 2016 at 11.00 a.m. at 11-Moti Bhawan, Collector Ganj, Kanpur-208001 (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:
** I wish my above Proxy to vote in the manner as indicated in the box below:

No.	Matter of resolution	VOTE		
		For	Against	Abstain
1	To receive, consider and adopt the Directors' Report and Consolidated and Standalone Audited Profit & Loss Account for the year ended 31st March, 2016 and the Balance Sheet as at that date together with the Auditors thereon.			
2	To appoint a director in place of Shri Sanjay Jhunjhuwala,			
3.	To appoint a director in place of Shri S.C. Agarwal			
4.	To appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, New Delhi, Auditors of the Company			
5.	Approval of the remuneration of the Cost Auditors			

Signed this…… day of……2016

Affix revenue stamp

_____
Signature of shareholder

_____
Signature of first proxy holder (s)

Notes:
(1) The proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
(2) A Proxy need not be a member of the Company.
(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
** (4) This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

World Class Sugar

Power Generation

Ethanol

Registered Office :
11, Moti Bhawan, Collectorganj, Kanpur – 208 001 U.P. (INDIA)
Tel No: (0512) 2310762, Fax No: (0512) 2310762

Corporate Office and Works :
Post Offfice Moti Nagar, District Faizabad-224 201 U.P. (INDIA)
Tel No: (05278) 254 059, 254 173, Fax No: (05278) 254 031
Email: cs@kmsugar.com Website: www.kmsugar.com