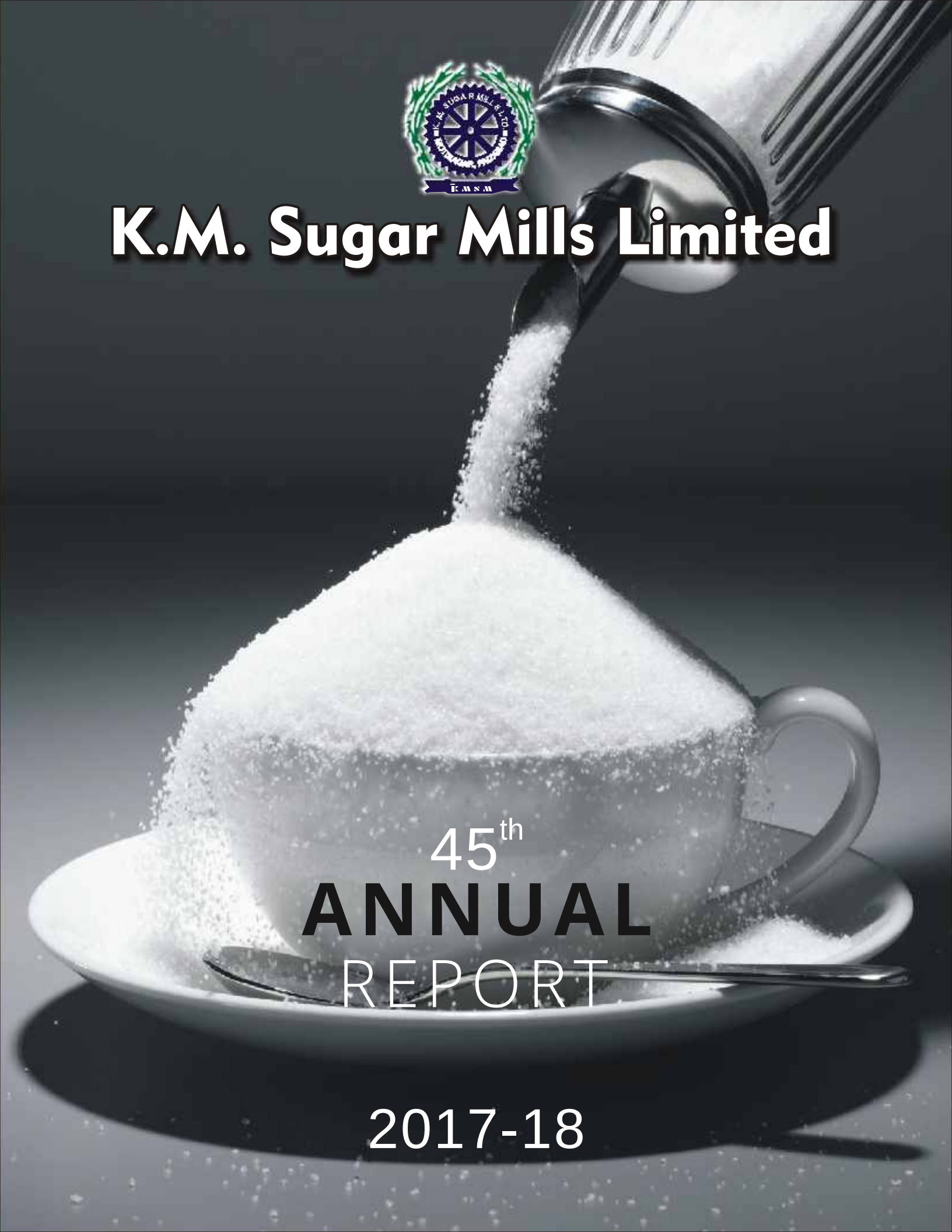

K.M. Sugar Mills Limited

45th

ANNUAL REPORT

2017-18

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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

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. S. B. 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. AGIWAL & ASSOCIATES
Chartered Accountants,
Lal Kothi, 2nd Floor, Pataudi House Road,
Above Bank of Baroda, Dariyaganj,
NEW DELHI - 110 002

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

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

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

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in placing the 45th Directors' Report along with the Audited Statement of Accounts for the year ended on 31st March, 2018.

Financial Performance

The Financial performance of the Company during the year ended 31st March 2018 as under :

	For the year ended as at 31st March, 2018 (Rs. in Lacs)	For year ended as at 31st March, 2017 (Rs. in Lacs)
Profit before interest, depreciation & tax	5349	5754
Less: Interest	-1072	-851
Depreciation	-1345	-974
Profit before tax	2932	3929
Provision for taxation	0	-115
Provision for taxation (deferred)	-1045	-102
Net Profit before extraordinary Items	1887	3712
Add: Extra ordinary item	0	-21
Net Profit	1887	3691
Earning Per Share of Rs 2/- each	2.05	4.03

Overall Performance

For the year ended on 31st March, 2018, sales stood at Rs. 46978.32 Lacs (net of excise duty) against the Rs. 335302.87 Lacs (net of excise duty) of previous financial year ended as at 31-03-2017). During the financial year under review, the company had no trading of sugar, whereas during the preceding financial year sugar trading was Rs. 1127.57 lacs). Profit after interest and depreciation stood at Rs. 2932.00 Lacs as against the profit of Rs. 3929.00 Lacs in the previous year. Profit after tax for the year ended March 31, 2018 was Rs.1886.68 Lacs compared to profit of Rs. 3690.87 Lacs in the previous year.

Dividend

Your directors have not recommended any dividend for the financial year ended 31st March 2018.

Transfer to reserves :

The entire surplus of Rs. 1886.68 lacs has been transferred to Other Equity.

Finance and Accounts

As mandated by the Ministry of Corporate Affairs, the financial Statement for the year ended on March 31, 2018 has been prepared in accordance with the Indian Accounting Standard (IND AS) notified under Section 133 of the Companies Act, 2013 reads with Companies (Accounts) Rules, 2014. The estimates and judgment relating to the Financial Statement are made on a prudence basics, so as to reflect a true and fair manner, the form and substance of transaction and reasonably present the Company's state of Affairs, profits and cash flow for the year ended March 31, 2018. Accordingly, the figures for the previous year have been recasted as and where required to make these comparable.

Performance of Divisions:-

Sugar Division

Crushing season till 31st March, 2018 consisted of sugar seasons of 2017. The company has crushed 103.26 Lacs qtls. of cane and the season was for 138 days. Sugar sale was Rs. 39204.87 lacs during the year under review as against Rs.28182.49 lacs during the previous financial year. The other details are as under :

	Year 31-03-2018	Year 31-03-2017
Gross Working days	138	121
Total Cane Crushed (qtls.)	10326624	8832402
White sugar Produced (qtls)	994395	859577
Average Recovery	9.72%	9.76%

Co-Generation:

During the crushing season under report, the company produced 7,90,97,890 KWH power and exported 4,76,63,795 KWH to UPPCL. Power sale was Rs. 2183 lacs as against Rs. 1749 lacs.

Distillery :

During the year ended as at 31-03-2018, Company Produced 105.11 Lacs BL of Rectified Spirit with a recovery of 22.63 % , which is better in comparison of preceding year production of 103.45 Lacs BL. with a recovery of 22.41%. Sale of RS was Rs.4211 Lacs as against Rs. 4125 Lacs.

Auditors

M/s. Agiwal & Co, Chartered Accountants, New Delhi, Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offered 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 49th Annual general meeting of the Company. Accordingly the Board propose for re-appointment of existing Auditors M/s. Agiwal & Co, Chartered Accountants, New Delhi to hold office up to the conclusion of 49th Annual General Meeting on such remuneration plus Goods and 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.

However, their appointment as Statutory Auditors of the Company shall also be required to be ratified by the Members at every 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

Ms. Pragati Gupta, Practicing Company Secretaries were appointed as Secretarial Auditors of the Company for the year 2017-18 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The Secretarial Audit report for FY 2017-18 forms part of the Annual Report (Annexure to the Directors' Report in Form MR- 3) as annexed as Annexure-9 to this report and carries no qualifications, reservations, adverse remarks or disclaimers and hence no explanations are required.

The Board appointed Ms. Pragati Gupta, Practicing Company Secretaries (Membership no. ACS- 19302) , as Secretarial Auditor of the Company for the financial year 2018-19.

Cost Auditors

The Central Government approved the appointment of M/s. Aman Malviya & Company, Cost Auditor, Lucknow as Cost Auditors for conducting Cost Audit for Sugar and Industrial Alcohol businesses for the year 31st March 2018, report of which was placed before the Board. The Board approved their appointment for the year 2018-19 and their remuneration is subject to approval by the Company in the forthcoming Annual General Meeting.

Directors

At the ensuing Annual General Meeting Shri Sanjay Jhunjhunwala and Shri S. C. Agarwal, Directors of the Company, retire by rotation u/s 152 of the Companies Act, 2013 and being eligible, offered themselves for re-appointment at the ensuing Annual General Meeting. Dr. Kirti Singh, Director of the Company resigned and the Board placed its gratitude on record for his valuable guidance, advise and suggestions to the Company during his tenure. The Company appointed Dr. S.B Singh as Additional Director in the Board meeting held on 12th February 2018. The Company has received a notice from a shareholder proposing his candidature for the office of the Director of the Company under sections 149, 152 and 160 of The Companies Act, 2013 alongwith requisite fees of Rs.1,00,000/- through cheque no. 107 dated 03-07-2018 drawn on HDFC Bank in this regard. The Board also recommended his appointment as Independent Director of the Company u/s 160 of the Companies Act,2013 in the ensuring AGM.

Public Deposits

During the financial year ended 31-03-2018, the company has not accepted any public deposits.

Corporate Debt Restructuring-(CDR)

The Company has successfully exit from CDR vide CDR EG letter dated 26-07-2017 and remitted the full payment against RoR during the year under review.

Listing Agreement

The equity shares of the company are listed with the Bombay Stock Exchange Limited and National Stock Exchange Limited and listing fees for 2018-19 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, 2018 the applicable accounting standard have been followed by the Company.

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

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

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

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

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

Significant and Material Orders

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

Audit Committee and Vigil Mechanism

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

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Regulations, 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 -7 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.

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

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

Corporate Social Responsibility

The Company constituted a Corporate Social Responsibility (CSR) Committee (for details please refer Corporate Governance Report) pursuant to the requirement of Section 135(1) of Companies Act, 2013. The CSR policy of the Company, 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 the year under report, the Company spent Rs.32.00 lacs towards CSR as against its obligation Rs.38.02 lacs. The Board ensured that balance amount of Rs. 6.02 Lacs on CSR will be spent during the forthcoming Financial Year 2018-19. 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 Secretary Ms. Pragati Gupta, confirming the compliance of the conditions on Corporate Governance is attached as Annexure-3 to this report.

Management Discussion and Analysis Report

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

Industrial Relation

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

Subsidiary Company

The Company has now no subsidiary Company as it had sold its Equity holding in M/s. K.M. Energy Private Limited during the year under review.

Number Of Meetings Of The Board

The Board met four times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (LODR) 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, one of whom is Managing Director, three 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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

Board Evaluation

Pursuant to the requirement of the Companies Act, 2013, 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 committees. A detailed note on the Board and its committees is provided in the Corporate Governance Report section of this Annual Report. The composition of the committees and compliances, as per applicable provisions of the Act and Rules, are as follows:

Name of the committee	*Composition of the committee*	*Highlights of duties, responsibilities and activities*
Audit committee	Mr.H.P Singhania-Chairman Mr.R.S Shukla-Member Mr.Sanjay Jhunjhunwala-Member Mr.S.K Gupta-Member	All recommendations made by the committee during the year were accepted by the Board. The Company has adopted the Whistle Blower Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud. The Company has formed the Related Party Transaction Policy.
Nomination and remuneration committee	Mr.H.P Singhania-Chairman Mr.R.S Shukla-Member Mr.S.K Gupta-Member	The Committee oversees and administers executive compensation. All recommendations made by the committee during the year were accepted by the Board.
Stakeholders relationship committee	Mr.H.P Singhania-Chairman Mr.R.S Shukla-Member Mr.Aditya Jhunjhunwala-Member Mr.S.K Gupta-Member	The Committee reviews and ensures redressal of investor grievances. The committee noted that the grievances of the investors reported during the year, if any.
Corporate social responsibility committee	Mr.L.K Jhunjhunwala-Chairman Mr.Sanjay Jhunjhunwala-Member Mr.S.K Gupta-Member	The Board as laid down the Company's policy on Corporate Social Responsibility (CSR). The CSR policy is uploaded on Company website, www.kmsugar.com

Particulars of Loans, Guarantee or Investments

As per the requirement of section 186(4) of Companies Act, 2013, particulars of loans given, investments made, guarantees given or securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the

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 in Note to Accounts no. 35.17 and also in Form AOC-2 as Annexure-6.

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.

Acknowledgment

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

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

Date:07.08.2018
Place:Lucknow

Annexure 1

Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

PARTICULARS	STEPS TAKEN BY THE COMPANY
(i) The steps taken or impact on conservation of energy The company has taken various steps towards energy conservation. The company conti nues to give high priority to the conservation of energy on an ongoing basis. Some of the significant measures taken are:	a) Installation of Planetary Drive at 4 th Mill GRPF to replace conventional gears to save the power. b) Installation of VFD at maceration pu mp at mills to save power. c) Installation of Planetary Drives, use of VFD at sugar drying FBD & Spray pump to save power in Boiling House d) System designed to use 2nd effect vapour in place of 1st vapour in chemical boiling at Evaporator to save steam. e) Installation of VFD at Cogen CEP pump, new de -super heating pump & Boiler water transfer pump for power saving at Boiler
(ii) The steps taken by the company for utilizing alternate sources of energy.	Company has bagasse based generation power plant which is used for captive consumption and surplus power is being sold to U P Power Corporation Limited
(iii) The capital investment on energy conservation equipments during the year 2017-18 was	Rs.130 Lacs Apart from this, The company makes investment wherever required for conservation of energy. The company has continuous process to monitor and explore ways and means for conservation of energy.

Form B

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

Technology absorption, adaptation and innovation:

(i) The company carried on following sugarcane development activities during the financial year 2017-18:

- Distribution of new improved verities of seed.
- Moist heat therapy to eradicate seed born diseases.
- Inter cropping of sugar cane for multi crops to growers.
- Distribution of fertilizers and manures for improving the soil health and growth of sugarcane.
- Rotten crop management and gap filling helping increase yield and recovery.

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

(iii) The company has not imported any technology.

Expenditure incurred on Research & Development : Nil

II. Foreign Exchange earnings & Outgo

		Year 2017-18	Year 2016-17
i)	Foreign exchange earned in terms of actual inflows	NIL	NIL
ii)	Foreign Exchange outgo in terms of actual outflows	Rs.106.74 Lakhs	Rs. 41.99 Lakhs

Annexure 2

Information pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 Companies (Appointment and Qualification of Directors) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2018.

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 No.	Name	Age Yrs	Designation	Qualification	experience (in years)	Date of commencement of employment	Remuneration Rs. In Lacs	Previous employment
				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 No.	Name	Age Yrs	Designation	Qualification	experience (in years)	Date of commencement of employment	Remuneration Rs. In Lacs	Previous employment
				NIL				

Annexure 3

Report on Corporate Governance

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

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

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

1. Company 's Philosophy on Code of Governance :

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

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

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

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

2. Board of Directors

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

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

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of the Company. As at year ended on 31st March, 2018, 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 directors .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, 2018, 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	2	4	Yes
2. Sh.Aditya Jhunjhunwala	Promoter, Executive	1	4	No
3. Sh.Sanjay Jhunjhunwala	Promoter, Executive	2	4	Yes
4. Sh. S. C. Agarwal	Independent, Executive	-	2	No
5. Sh. H. P. Singhania	Independent, Non-executive	1	4	No
6. Dr. S.B Singh*	Independent, Non-executive	-	1	No
7. Sh. R. S. Shukla	Independent, Non-executive	-	4	No
8. Sh. S. K. Gupta	Independent, Non-executive	-	4	No
9. Shri A.K. Mishra	Nominee-Non-Executive	-	-	No
10. Mrs. MadhuMathur	Independent Non-Executive	-	3	No
11. Dr. Kirti Singh**	Independent, Non-executive	-	-	No

*Appointed on 12-02-2018 ** Resigned on 12-02-2018

Independent Directors

a) The Chairman is Executive and falls under Promoter category. The number of Independent Directors is more than 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 inter-alia others. The intimation of the Board Meeting is given to the members of the Board within stipulated time period 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 (LODR) 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 under review , 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 after reviewed and recommended by the Committee.

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 appointment & 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, 2018 ,four Board meetings were held on 22.05.2017 ,10.08.2017, 10.11.2017 and 12.02.2018. The details are as follows:-

Date of Board Meeting	Board Strength	Directors Present
22.05.2017	10	7
10.08.2017	10	7
10.11.2017	10	6
12.02.2018	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 Regulation 18 of SEBI (LODR) 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 Regulation 18 SEBI (LODR) Regulations,2015 and section 177 of the Companies act, 2013 (hereinafter referred as “the act”). The Committee observes the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- Recommends the appointment and removal of external

auditor, fixing audit fees and also approval for payment for any other services.

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

Meetings and Attendance :

During the year ended on 31st March, 2018 ,four committee meetings were held on 22.05.2017, 10.08.2017, 10.11.2017 and 12.02.2018

Sl no.	Name of the Member	Position	Number of meetings held	Number of Meetings Attended
1	Mr. H. P. Singhania	Chairman	4	4
2	Mr. R. S. Shukla	Member	4	4
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 2018 ,four committee meetings were held on 22.05.2017 ,10.08.2017, 10.11.2017 and 12.02.2018 . 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	4
2	Mr. R. S. Shukla	Member	4	4
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 Board, in the meeting held on 10.08.2017 , increased sitting fees payable to the Non- Executive Directors from @ Rs. 5,000/- to Rs. 10,000/- for each Board meeting and Rs.2000/- for each Committee meeting.

Executive Directors

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

The remuneration paid to the directors during the year ending on 31st March,2018 is given in form no. MGT-9 as Annexure -7.

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, 2018 four committee meetings were held on 22.05.2017, 10.08.2017, 10.11.2017 and 12.02.2018 . 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	4
2	Mr. R. S. Shukla	Member	4	4
3	Mr. Aditya Jhunjhunwala	Member	4	4
4	Mr. S.K. Gupta	Member	4	4

Corporate Social Responsibility Committee:

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

During the year ended on 31st March, 2018, four committee meetings were held on 22.05.2017, 10.08.2017, 10.11.2017 and 12.02.2018 . 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. S. K. Gupta	Member	4	4
3	Mr. Sanjay Jhunjhunwala	Member	4	4

RESOLUTION BY CIRCULATION

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: Friday,28th September, 2018

Time: 11.00 AM

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

Dates of Book Closure:

From 21st September to 28th September, 2018, both days inclusive

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

Financial Year	Day & Date	Location	Time
2013-15	19.09.2015	Regd. Office - 11-Moti Bhavan, Collector Ganj, Kanpur-208001	11.00 a.m.
2015-16	28.09.2016	Regd. Office - 11-Moti Bhavan, Collector Ganj, Kanpur-208001	11.00 a.m.
2016-17	28.09.2017	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. 35.17 (c)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 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 (LODR) Regulations,2015.

Compliance with Corporate Governance Norms

The Company has complied with Mandatory requirements of the Code of Corporate Governance as Stipulated under Regulation 34 of SEBI (LODR) Regulations,2015. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchange for the quarters ended 30-06-2017, 30-09-2017, 31-12-2017 and 31-03-2018 on 11.07.2017, 09.10.2017, 06.01.2018 and 05.04.2018. The Secretarial Auditors have certified that the company has complied with the Corporate Governance norms as stipulated by the Stock Exchanges under SEBI (LODR) Regulations,2015.

Reconciliation of the Share Capital Audit

As Stipulated by Securities and Exchange Board of India (SEBI), a qualified Practicing Company Secretary carries out the Reconciliation of the Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total Issued and Listed Capital . The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL 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 Chairman has confirmed and declared that all the Members of the Board as well of the employees in the senior Management have affirmed Compliance with the Code of Conduct

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 there under 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, Phiroze Jeejeebhoy 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', Bandra Kurla Complex, Bandra(E), Mumbai-00051 Tel: 91-22-26598100 Fax: 91-22-26598237/38 Website: www.nseindia .com

Listing fees up-to the financial year ended 31-03-2018 has been paid to all the concerned stock exchanges by the Company.

Depositories:

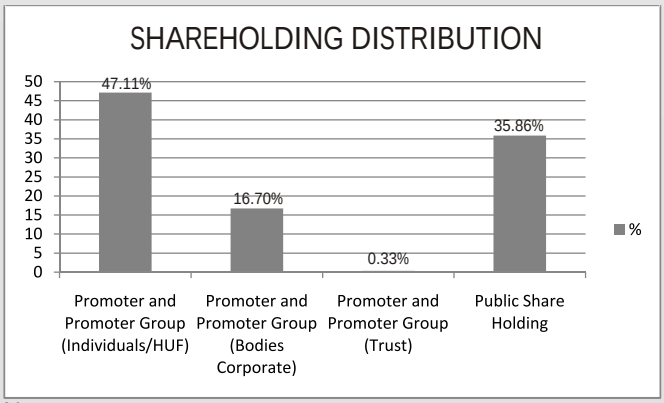
1. National Securities Depository Ltd., Trade Worlds, 4th floor, Kamala mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	2. Central Depository Services (India) Ltd., Phiroze Jeejeebhoy Towers, 17th floor, Mumbai 400023
Compliance officer Mr. Rajeev Kumar, Company Secretary, 76-Eldeco Green, Gomti Nagar, Lucknow-226010 is Compliance Officer of the Company.	Registrar & Share Transfer Agent Link Intime India Pvt Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

Stock Market Data (In Rs.)

	Quotation at BSE			Quotation at NSE		
Month	High	Low	Closing	High	Low	Closing
Apr-17	30.05	26	26.75	30.05	26.55	26.7
May-17	27.65	18	20.6	27.1	18.05	20.75
Jun-17	23.8	19.05	23.6	23.8	19.1	23.4
Jul-17	25.75	20.25	21	26	20.05	20.95
Aug-17	25.3	20.1	23.1	25.45	20.05	23.1
Sep-17	27.3	20.55	23.65	27.25	21.4	23.6
Oct-17	27.45	22.6	23.85	27.6	22.7	23.9
Nov-17	25.2	18.55	20.7	25.1	18.8	20.65
Dec-17	21.8	18.4	18.55	21.7	18.25	18.55
Jan-18	20.4	16.15	17.6	20.45	16.45	17.4
Feb-18	18.7	13.75	13.95	17.7	13.8	13.9
Mar-18	14.25	9.05	9.48	14.2	9.35	9.45

Shareholding Pattern as at 31st March ,2018

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	11	43337729	43337729	47.11
Bodies Corporate	4	15357353	15357353	16.70
Any Other (Specify) Promoter Trust	2	309329	309329	0.33
Sub Total(A)(1)	17	59004411	59004411	64.13
(2) Foreign	0	0	0	0
Total shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)	17	59004411	59004411	64.13
(B) Public Shareholding				
(1) Institutions				
(a) Central Government / State Government(s)	1	1140	1140	0.00
(b) Financial Institutions/Banks	3	71611	71611	0.08
(c) Any Other (Specify) Foreign Portfolio Investors	1	12500	12500	0.01
Sub Total(b)(1)	5	85251	85251	0.09
(2) Non-Institutions				
(a)Body Corporate	173	5658631	5658626	6.15
(b)Individual				
(i)Individual shareholders holding nominal share capital up to Rs. 2 lakh	15690	22213398	22212273	24.14
(ii)Individual shareholders holding nominal share capital in excess of Rs. 2lakh	10	2147910	2147910	2.33
(iii)Any Other (Specify)				
Clearing Member	100	931109	931109	1.01
Non Resident Indians (Repat)	177	827840	827840	0.89
Non Resident Indians (Non Repat)	51	388225	388225	0.42
Hindu Undivided Family	376	743095	743095	0.80
Trusts	1	300	300	0.00
Sub Total(B)(2)	16578	32910508	32909378	35.77
Total Public shareholding (B)=(B)(1)+(B)(2)	16583	32995759	32994629	35.86
Total (A)+(B)	16600	92000170	91999040	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)	16600	92000170	91999040	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	12841	75.709	5005261	5.4404
1,001-2000	1691	9.9699	2713087	2.949
2001-3,000	745	4.3924	1935634	2.104
3,001-4,000	336	1.981	1231090	1.3381
4,001-5000	408	2.4055	1962145	2.1328
5,001-10000	516	3.0423	3860033	4.1957
10001-above	424	2.4999	75292920	81.84
TOTAL	16600	100.000	92,000,170	100.000

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 2017-18 and a confirmation to this effect has been obtained from them.

In terms of these Regulations, the Board 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 31-03-2018 were on an arms-length basis and were in the ordinary course of business. They have been disclosed pursuant to Accounting Standard 18 in Note 35.17(c) of the financial statements and AOC-2 as Annexure-6.

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

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

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

Whistle Blower Policy

Pursuant to Section 177 (9) of the Act read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has established a vigil mechanism overseen by the Audit Committee. This has been uploaded in the Company's website. No complaint under this facility was received during the period under review.

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 Report

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

ii) Quarterly Financial Results

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

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

(iii) Quarterly Compliance Report

The Company has submitted the Compliance Report on Corporate Governance, Shareholding pattern, Investors Grievances to Stock Exchanges in the prescribed format within stipulated time for four quarters during 1st April, 2017 to 31st March,18 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 under report, there was 1 complaint on our Company posted at SCORES site, which has been resolved.

(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 30.06.2017, 30.09.2017, 31.12.2017 and 31.03.2018 on 15.07.2017, 09.10.2017, 15.01.2018 and 19.04.2018 respectively.

(vi) Accounting treatment

The Financial Statements have been prepared in compliance with applicable provisions of the Companies Act,2013 read with rules issued there under, applicable Accounting Standard and the provision of SEBI (LOARD) Regulations,2015 have 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. Aman Malviya & Associates, Cost Accountants, Lucknow to undertake cost audit of the Company for year ended as at 31-03-2018. Their remuneration was approved by the Board.

- 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 Ms. Pragati Gupta, a Practicing Company Secretary- (C.P.No.7878) to undertake the Secretarial Audit of the Company for year ended as at 31-03-2018. The Secretarial Audit Report was placed before the Board on 07.08.2018 as per Annexure-9. 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 31-03-2018. 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 2018 have been prepared as per applicable Indian Accounting Standards and Policies and that sufficient care has been taken for maintaining adequate accounting records.

(xi) Peer Review of Auditors

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

Compliance with non-mandatory requirements

(i) Board

Chairman's office is separated from CEO. The Chairman is Executive Director and maintains an office at the Company's expense.

(ii) Shareholders' Rights

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

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

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

(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 (LODR) Regulations,2015 are required to furnish a declaration to that effect to the Stock Exchange(s). Our Company has complied with this SEBI Circular while furnishing the Annual Reports for the financial year ended 31st March, 2018 under a declaration with the unmodified opinion .

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. 35.5 in Notes to the Financial Statement.

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 30.06.2017 (Un-audited)	03.08.2017	10.08.2017	11.08.2017	Financial Express ; Rashtriya Sahara
Quarter ended 30.09.2017 (Un-audited)	02.11.2017	10.11.2017	11.11.2017	Financial Express ; Rashtriya Sahara
Quarter ended 31.12.2017 (Un-audited)	03.02.2018	12.02.2018	13.02.2018	Financial Express ; Rashtriya Sahara
Quarter and Year ended 31.03.2018 (Audited)	11.05.2018	22.05.2018	23.05.2018	Financial Express ; Rashtriya Sahara

* Publication arranged

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

Website

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

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 (LODR) Regulations,2015 has been inserted in the Equity Listing Regulations for this purpose. Initially this has been made applicable for top 500 listed entities and our Company is not presently covered by this.

Company commitment

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

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

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

I, L.K. Jhunjhunwala, Chairman of M/s. K.M. Sugar Mills Limited, hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of conduct of Directors and Senior Management Personnel of the Company for the financial year 2017-18 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: 07.08.2018
Place: Lucknow

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

I, S.C Agarwal , Executive Director and Chief Executive officer of the company, hereby declare that the statutory auditors of the Company-M/s. Agiwal & Associates, Chartered Accountants ,New Delhi having firms registration number (FRN-000181N) have issued an Audit report with the unmodified opinion on financial results for the quarter and year ended 31st march ,2018.

K. M. Sugar Mills Ltd.
Sd/-
S.C. Agarwal
Executive Director –cum-CEO

Date: 22.05.2018
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. 1900.74 lacs
2. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs.38.02 lacs
3. Details of CSR spent for the financial year :
   a. Total amount spent for the financial year : Rs. 32.00 lacs
   b. Amount unspent, if any : Rs. 6.02 lacs
   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.	Medical Care in the disease prevention and care through Rotary Foundation.	Under Schedule VII of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 - Medical Care in the disease prevention and care.	Rotary Foundation	38.02	32.00

4. 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 sugar prices have been seen high level of volatility and now it is at a comfortable level.
- India is the second largest producer of sugar in the world and its production in 2017-18 was 29 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

In the year 2017-18, Global Sugar Production, consumption, export and surplus was highest since 2012-13.While the Global situation is comfortable, supplies remain relatively tight in U.S. and Mexico. The Global Sugar production was at 1849.49 lakhs tonnes, up by 3% from initial forwast and 8% up from the production for 2016-17, which was 1714.72 lacs tonnes. As per International Sugar concurred with its own forecast of record production at 1794.48 lacs tonnes up by 7%.

Out of the 10 largest sugar producing countries, only USA (down 1.5%) and Australia (down 6%) are expected to show decrease from 2017-18. Brazil had highest record production of 402.00 lacs tonnes production, a modest increase by 3% and export 296.00 lacs tonnes up by 4%, which was 48% of the total World Export.

India ranked at 2nd number having increase in sugar production by 45% during 2017-18 followed by 22% increase in EU, 12% by Thailand and 13 % by China. China is also second largest importer of Sugar

Global Sugar prices have been on downward trend and have fallen 30% to trade at 13.5% per pound due to better production in Brazil, no demand in International Market and a depreciating Brazilian Currency, making export from that country remunerative.

In most of the key geographies like Brazil and Thailand, regulations have a significant influence on the sugar sector. Perishable nature of cane, small farm landholdings and the

need to influence domestic prices; all have been the drivers for regulations. In India, too, sugar is highly regulated. Since 1993, the regulatory environment has considerably eased, but sugar still continues to be an essential commodity under the Essential Commodity Act. There are regulations across the entire value chain land demarcation, sugarcane price, sugarcane procurement, sugar production and sale of sugar by mills in domestic and international markets.

Indian Sugar Industry

During 2017-18, sugar production was 32.4 MMT, up by 46.00 % percent as compared with last year's production. A 10% increase in average cane yield alongwith an improved national sugar recovery rate from 11% to 11.32% contributed to record sugar production. UP and Maharashtra are largest sugar producer in the country..

Sugar cess @1270/- per tonne was abolished, when GST is imposed @ 5% . The Government is watching on the Sugar Industry's situation due to sharp decline in sugar prices and took steps to keep the prices stable. The Government has hiked national sugar cane price payable to Sugar Cane Growers by 10.9% to Rs.255 /- per quintal for 2017-18 while in U.P. cane prices raised rate to Rs.315/- per quintal, which could not have affordable to the Sugar Mills. The moderate production of sugar and ample stock resulted fall in sugar prices and sugar prices were around Rs.8/- per kg lower as compared with cost of production. The sugar mills incurred losses . Further, it has surged sugar cane arrears to over Rs.170.00 billion.

Uttar Pradesh (UP), once again, the largest producer of sugar in India, followed by Maharashtra at second number. Both states now contribute 70 percent of India's total sugar production, a notable uptick from their earlier cumulative average of 60 percent. Production gains in both states will compensate for combined losses in Karnataka, Tamil Nadu, Andhra Pradesh, and Telangana.

To protect the Sugar Industry, the Government announced the following measures :-

1. Creation of 3 Million tones Sugar Buffer
2. Financial support of Rs. 55/- per ton to Cane growers ;
3. Hike in import duty from 40% to 50% ;
4. Stabilize domestic sugar price;
5. Improve cash flow and net realization for sugar mills;
6. Encourage timely payment to sugar cane growers;

Government Policies

The Ministry of Commerce and Industry's Director General of Foreign Trade vide notification (No. 01/2015-2020) dated April 5, 2017, will allow 500,000 MT of raw sugar imports (subject to the tariff rate quota) to be imported through June 12, 2017. The decision was taken to address regional production gaps and control sugar prices. Import duties levied against imported sugar was 40 percent, unless otherwise notified. The Government issued a notification for increasing import duty from 40% to 50%. The move follows sharp fall in the sugar price in the market.

Trade Policy Anticipating surplus sugar production this year, the GOI came out with a host of policy measures to help (1) stabilize domestic sugar prices, (2) prevent cheaper imports, (3) encourage surplus stock clearance, (4) improve cash flow and net realization for sugar mills, and (4) encourage timely payment to farmers while reducing mounting cane arrears. The measures taken are as follows: i) Introduced a stockholding limit for 2 months starting February 2018 through March 2018, ii) doubled the import duty on (white and raw) sugar to 100 percent (without an end date), iii) dropped the export duty on sugar from 20 percent to zero on March 20, 2018, iv) introduced 2 MMT of exports under the Minimum Indicative Export Quota (MIEQ) scheme, and v) allowed export of white sugar until September 2018 under the Duty Free Import Authorization (DFIA) scheme3, under which exporters are allowed to import sugar at zero duty within three years.

The Ministry of Consumer Affairs, Food and Public Distribution, GOI, an estimated INR 112.7 billion rupee was outstanding as cane price arrears (on SAP/FRP basis, and where applicable) against the sugar mills for MY 2017/18 (about 67.2% dues have been cleared, up to Jan 15, 2018). Pending cane arrears for sugar season 2014/15 through 2016/17 was however estimated at INR 28 billion. This is in addition to arrears mentioned above.

STOCKS:

Ending stocks in the out-year are forecast upwards of 11.8 MMT and is more or less equal to a 5 month consumption requirement. Stocks for the current sugar season are slightly trailing behind at 11.5 MMT which again is sufficient for the same time period. Ideally, the minimum stock requirement is for 3 months consumption.

Sugarcane Production and Pricing Policy

The GOI supports research, development, training of farmers, transfer of new varieties, and improved production technologies (seed, implements, pest management) to sugarcane growers, to raise yields and recovery rates. The Indian Council of Agricultural Research conducts sugarcane research and development at the national level. State agricultural universities, regional research institutions, and state agricultural extension agencies support these efforts at the regional and state levels. Central and state governments also support sugarcane growers by ensuring financing and input supplies at affordable prices. The Union Budget 2018/19 (April-March) has allocated INR 6.11 billion ($76 million) for schemes financed under the Sugar Development Fund compared to INR 9.18 billion (revised) allocated in Union Budget 2017/18. The fund is used to support research, extension, and technological improvement in the sugar sector. The SDF is also used to support sugar buffer-stock operations, provide a transport subsidy for sugar exports, and provide an interest subsidy on loans for the installation of power generation and ethanol production plants (into a zero discharge plant). Additionally, the latest GOI budget

has not allocated and or extended funds for i) interest subvention (a low interest subsidy) for extending soft loans to sugar mills and for ii) production subsidies to sugar mills for timely payments to farmers'.

The fair and remunerative price (FRP) system: The GOI establishes a minimum support price (MSP) for sugarcane based on recommendations from the Commission for Agricultural Costs and Prices (CACP), consultations with state governments, and sugar industry and cane growers' associations. Several state governments augment the MSP/FRP, typically by 30-35 percent, due to political populism rather than market pricing. Sugar mills are required to pay the "state advised price" (SAP) to sugarcane farmers irrespective of market prices. A forecast of a smaller cane crop normally encourages millers to pay higher cane prices, resulting in prices which exceed the MSP/FRP in most of the growing states.

MARKETING:

Sugar Marketing Policy

According to industry sources, the sugar industry will continue to be subject to production controls by state governments, including sugar industry licensing, cane area reservation, minimum distance criteria, adoption of the cane price formula, specified cane procurement areas for sugar mills, and cane pricing. On a side note, the sugar procurement for public distribution system (PDS) operation is being made from the open market by the state/Union Territories, and the Government is providing a fixed subsidy at INR 18.50 per kg for restricted coverage only to the Antyodaya Anna Yojana (AAY) families who will be provided 1 kg of sugar per family per month.

Ethanol Program

The ethanol blended program (EBP) seeks to achieve blending of ethanol with gasoline with a goal to reduce pollution, encourage value addition along the value chain, and improve cash flows, particularly with the goal to clear cane price arrears of farmers. Per the latest Post estimate, India's ethanol production in MY 2017/18 is likely 2.6 billion liters (from molasses), 50 percent above last year and the highest in the last decade. The previous record production was 2.4 billion liters in MY 2006/07. Assuming that there is a price incentive for selling ethanol, states with surplus will be encouraged to sell more ethanol for blending with gasoline. Likewise, potable consumption is also expected to rise in tandem, while imported ethanol (if competitive) will fill demand for industrial use. Theoretically, the ethanol available is sufficient to meet the 7 percent blend target, but viably will meet a 3.4 percent market penetration in MY 2017/18.

On November 2017, the Union Cabinet approved the revision in the price of ethanol under the Ethanol Blending (EBP) Program, for supply to the public sector oil marketing companies (OMCs) fixed at Rs.40.85/- per liter ($0.62/liter) for sugar season 2017-18. In addition, the Goods and Service Tax (GST) and transportation charges will also be charged. The revised price will be applicable during the ethanol supply period from December 1, 2017 to November 30, 2018. The approval will facilitate the continued policy of the government in providing price stability and remunerative prices for ethanol suppliers. It was intended to reduce dependency on crude oil imports, save in foreign exchange and benefit the environment (PIB Press release). Recently, the Central Government has slashed GST from 18% to 5% on the use of ethanol for mixing in petrol.

Power Sector

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

According to World Alliance for Decentralized Energy (WADE) report on Bagasse Cogeneration, bagasse-based cogeneration could deliver up to 25% of current power demand requirements in the world's main cane producing countries. The overall potential share in the world's major developing country producers exceeds 7%. There is abundant opportunity for the wider use of bagasse-based cogeneration in sugarcane-producing countries. It is especially great in the world's main cane producing countries like Brazil, India, Thailand, Pakistan, Mexico, Cuba, Colombia, Philippines and Vietnam. Yet this potential remains by and large unexploited.

Meeting electricity demand in sustainable manner is one of the major challenges that India is facing. As per Integrated Energy Policy of GOI, electricity generation capacity must be increased to nearly 800000 MW from current generation capacity of 2, 25,793 MW by 2032. This huge capacity addition is big challenge for the country. Till last 4-5 years, electricity generation in India is dominated by the coal which is a major source of carbon emission. Further, depletion of fossil fuel and increased import of energy resources is a matter of concern in India. In view of this, country has launched a programme to enhance proportion of renewable energy in the electricity mix. MNRE has adopted strategic plan for new and renewable energy sector. Further, 15600 MW of renewable energy capacity was added during 11th plan (2007-12) against a target of 12280 MW.

India is one of the largest consumers and producers of sugar in the world and is the world's second largest producer next to Brazil of the sugarcane.

Sugar production is an energy intensive industry and requires both steam as well as electricity. Bagasse is the

leftover of the sugarcane after crushing and is burnt as a fuel in the boiler of sugar mill. Bagasse cogeneration has been practiced in sugar mills since long to meet sugar mills own energy needs. However, supplying excess electricity to the grid has gained momentum worldwide in last one decade. It offers several advantages such as near – zero fuel cost, increased viability of sugar mills, energy security, fuel diversity, reduced transmission and distribution losses and carbon emission reduction. In view of this, GOI has launched a programme to enhance surplus electricity generation from bagasse cogeneration.

Bagasse cogeneration is renewable energy and comes under Ministry for New and Renewable Sources of Energy of Government of India. Bagasse-based cogeneration potential in sugar mills is estimated to be 5000MW . Further, this potential will be approximately 9700 MW by 2017. It is estimated that four million units of electricity per megawatt of capacity of the cogeneration plant is generated per year.

Latest Trends

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

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

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

SWOT ANALYSIS:

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

Strengths and Opportunities

i) The promoters are in this line for over 5 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 alcohol production and cogeneration power plants.
iv) Sugar Industry has political intervention.
v) Steep decline in sugar price may adversely affect the sugar mills.

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

To,
The Members,
K M SUGAR MILLS LIMITED,
(CIN - L15421UP1971PLC003492)
11, 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, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations.

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 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 during the year ended March 31, 2018.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pragati Gupta
Practising Company Secretaries
Pragati Gupta
Proprietor
Membership No. : A19302
C.P. No. 7878

Date: 07.08.2018
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, 2018, and that based on our knowledge and belief :-
   (i) these statements do not contain any materially untrue statements or omit to state any material fact or contain statements that might be misleading; and
   (ii) these statements present a true and fair view of the listed entity's affair and are in compliance with existing accounting standards, applicable laws and regulations.

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

(C) We along with Company's other certifying officers accept responsibility for establishing and maintaining internal controls for financial reporting and that we have:-
   (i) evaluated the effectiveness of the internal control systems of the listed entity pertaining to the financial Reporting; and
   (ii) disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit Committee of the Company, the following:-
   (i) significant changes in internal control over financial Reporting during the year;
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
   (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial Reporting.

Sd/- Sd/-
S C Agarwal A K Gupta

Date: 22-05-2018
Place: Lucknow

Annexure 6

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 thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts/arrangements/transactions
   (c) Duration of the contracts / arrangements / transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) Date(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.35.17(c)

(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 : 01-04-2017 to 31-03-2018

Sl no.	Nature of transaction/ Name of the related party	Subsidiary 2017-18 (2016-17) (2015-16)	Key Managerial Personnel (KMP) 2017-18 (2016-17) (2015-16)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2017-18 (2016-17) (2015-16)	Total 2017-18 (2016-17) (2015-16)
i.	Investment made				
	K M Energy Pvt. Ltd.	- (126.19)(285)	- (-)(-)	- (-)(-)	- (126.19)(285)
ii.	Interest received from Loan (K.M Energy Pvt. Ltd.	-(-)(28.50)	-(-)(-)	-(-)(-)	-(-)(28.50)
iii.	Investment in equity sold				
	Promissing Logistics (P) Ltd.	- (-)(-)	- (-)(-)	73.00 (-)(-)	73.00 (-)(-)
iv.	Corporate Guarantee for a term loan given to a bank				
	K M Energy Pvt. Ltd.	- (2433.00)(-)	- (-)(-)	- (-)(-)	- (2433.00)(-)
v.	Remuneration including PF*				
	Shri L K Jhunjhunwala	- (-)(-)	42.34(111.57)(40.32)	- (-)(-)	42.34(111.57) (40.32)
	Shri Aditya Jhunjhunwala	- (-)(-)	29.03 (97.25)(20.45)	- (-)(-)	29.03 (97.25)(20.45)
	Shri Sanjay Jhunjhunwala28.02	- (-)(-)	28.02 (97.48)(20.29)	- (-)(-)	28.01 (97.48) (20.29)
	Shri S. C. Agarwal	- (-)(-)	29.62 (28.40)(18.37)	- (-)(-)	29.62 (28.40) (18.37)
	Shri Rajeev Kumar	- (-)(-)	12.08 (10.29)(9.50)	- (-)(-)	12.08 (10.29) (9.50)
	Shri Arvind Kumar Gupta	- (-)(-)	15.00 (13.23)(12.30)	- (-)(-)	15.00 (13.23)(12.30)
	Shri VatsalJhunjhunwala	- (-)(-)	- (-)(-)	1.12 (-)(-)	1.12 (-)(-)
vi.	Education fee paid				
	Shri VatsalJhunjhunwala	- (-)(-)	-(-)(-)	48.21 (-)(-)	48.21 (-)(-)
vii.	Sugar sold				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	2661.75 (-) (4557.00)	2661.75 (-) (4557.00)
viii.	Sugar purchase				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	390.80 (-)(-)	390.80 (-) (-)
ix.	Rent paid				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	5.40(5.40)(5.40)	5.40 (5.40)(5.40)
	Zar International Pvt. Ltd.	- (-)(-)	- (-)(-)	1.14(1.14)(1.14)	1.14 (1.14(1.14))
	Marvel Business Pvt.Ltd.	- (-)(-)	- (-)(-)	7.20 (7.20)(-)	7.20 (7.20)(-)
x.	Rent received				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	0.93 (-)(-)	0.93 (-)(-)
xi.	Advance given / Repaid				
	K M Energy Pvt. Ltd.	- (52.07)(-)	- (-)(-)	- (-)(-)	- (52.07)(-)
	Arvind Kumar Gupta	-(-)(-)	-(-)(5.00)	-(-)(-)	-(-)(5)
	Shailja Properties P Limited			-(-)(.21)	-(-)(0.21)
xii.	Advance received back				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	- (369.24)(-)	- (369.24)(-)
	K M Energy Pvt. Ltd.	- (49.48)(-)	- (-)(-)	- (-)(-)	- (49.48)(-)

xiii.	Loans taken				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	135.00 (-)(-)	135.00 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	160.00 (-)(-)	160.00 (-)(-)
	K M Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	20.00 (-)(-)	20.00 (-)(-)
	Francoise Commerce Pvt. Ltd.	- (-)(-)	- (-)(-)	55.00 (-)(-)	55.00 (-)(-)
	Nidhi Financial Services P Ltd.	- (-)(-)	- (-)(-)	30.00 (-)(-)	30.00 (-)(-)
xiv.	Loans repaid				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	135.00 (-)(-)	135.00 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	160.00 (-)(-)	160.00 (-)(-)
	K M Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	20.00 (-)(-)	20.00 (-)(-)
	Francoise Commerce Pvt. Ltd.	- (-)(-)	- (-)(-)	55.00 (-)(-)	55.00 (-)(-)
	Nidhi Financial Services P Ltd.	- (-)(-)	- (-)(-)	30.00 (-)(-)	30.00 (-)(-)
xv..	Interest on loans paid				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	6.98 (-)(-)	6.98 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	6.28 (-)(-)	6.28 (-)(-)
	K M Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	1.18 (-)(-)	1.18 (-)(-)
	Francoise Commerce Pvt. Ltd.	- (-)(-)	- (-)(-)	3.17 (-)(-)	3.17 (-)(-)
	Nidhi Financial Services P Ltd.	- (-)(-)	- (-)(-)	1.33 (-)(-)	1.33 (-)(-)
xvi.	Security amount paid				
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	- (9.00)(-)	- (9.00)(-)
xvii.	Security amount received back				
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	- (9.00)(-)	- (9.00)(-)
xvii	Sitting fess paid				
	Shri A K Mishra	- (-)(-)	0.00(0.00)(0.05)	- (-)(-)	0.00(0.00)(0.05)
	Shri H P Singhania	- (-)(-)	0.54 (0.22)(3.30)	- (-)(-)	0.54 (0.22)(3.30)
	Shri Madhu Mathur	- (-)(-)	0.15 (0.15)(2.00)	- (-)(-)	0.15 (0.15)(2.00)
	Shri R S Shukla	- (-)(-)	0.54 (0.44)(3.30)	- (-)(-)	0.54 (0.44)(3.30)
	Shri S K Gupta	- (-)(-)	0.62 (0.52)(5.20)	- (-)(-)	0.62 (0.52)(5.20)
xviii.	Balance outstanding				
	a. Loans payable				
	Shri L K Jhunjhunwala	- (-)(-)	31.00 (31.00)(31.00)	- (-)(-)	31.00 (31.00)(31.00)
	Shri Aditya Jhunjhunwala	- (-)(-)	61.50 (61.50)(61.50)	- (-)(-)	61.50 (61.50)(61.50)
	Shri Sanjay Jhunjhunwala	- (-)(-)	61.50 (61.50)(61.50)	- (-)(-)	61.50 (61.50)(61.50)
	d. Amount payable				
	Shri L K Jhunjhunwala	- (-)(-)	7.78 (48.10)(13.28)	- (-)(-)	7.78 (48.10) (13.28)
	Shri Aditya Jhunjhunwala	- (-)(-)	65.00 (67.28)(20.60)	- (-)(-)	65.00 (67.28)(20.60)
	Shri Sanjay Jhunjhunwala	- (-)(-)	69.83 (69.15)(23.72)	- (-)(-)	69.83(69.15) (23.72)
	Shri S. C. Agarwal	- (-)(-)	1.46 (0.75)(1.49)	- (-)(-)	1.46 (0.75)(1.49)
	Shri VatsalJhunjhunwala	- (-)(-)	-0.54 (-)(-)	- (-)(-)	0.54 (-)(-)
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	2.74 (-)(-)	2.74 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	6.27 (-)(-)	6.27 (-)(-)
	Zar International Pvt Ltd.	- (-)(-)	- (-)(-)	1.14 (-)(-)	1.14 (-)(-)
	e. Interest receivable (K.M. Energy P Limited)	(-)(-)(28.60)	-(-)(-)	-(-)(-)	-(-)(28.60)
	f. Loan amount outstanding for Corporate Guarantee given to a bank				
	K M Energy Pvt. Ltd.	-(2290.16)(-)	- (-)(-)	- (-)(-)	-(2290.16)(-)
	g. Guarantee given for Bank loan taken by company				
	KM Plantation Pvt. Ltd.	- (-)(-)	- (-)(-)	6911.36 (12699.31) (7822.64)	6911.36 (12699.31) (7822.64)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   i. The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms.
   ii. No amount has been written back/written off during the year in respect 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: 22.05.2018
Place: Lucknow

Annexure 7 –Board's Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018
[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-208001, Phone no. 0522-2310762 Mail id-cs@kmsugar.com ; Website: www.kmsugar.com
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-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No : +91 22 49186270 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	10721	83.45 %

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
		-NA-			

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

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	44158923	0	44158923	'47.9987	43337729	0	43337729	'47.11	'- 0.8926
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Promoter Trust	359050	0	359050	'0.3903	309329	0	309329	'0.3362	- '0.0541
	Bodies Corporate	15225622	0	15225622	'16.5496	15357353	0	15357353	'16.6927	'0.1431
	Sub Total (A)(1)	59743595	0	59743595	'64.9386	59004411	0	59004411	'64.1351	'- 0.8035
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	59743595	0	59743595	'64.9386	59004411	0	59004411	'64.1351	'- 0.8035
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	746150	0	746150	'0.8110	12500	0	12500	'0.0136	- '0.7974
(f)	Financial Institutions / Banks	500	0	500	'0.0005	71611	0	71611	'0.0778	'0.0773
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	746650	0	746650	'0.8116	84111	0	84111	'0.0914	- '0.7202
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	1140	0	1140	'0.0012	1140	0	1140	'0.0012	'0.0000
	Sub Total (B)(2)	1140	0	1140	'0.0012	1140	0	1140	'0.0012	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 2 lakh.	17286865	1125	17287990	'18.7912	22212273	1125	22213398	'24.1449	'5.3537
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	6240236	0	6240236	'6.7828	2147910	0	2147910	'2.3347	'- 4.4481

(b)	NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Employee Trusts	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Trusts	300	0	300	'0.0003	300	0	300	'0.0003	'0.0000
	Hindu Undivided Family	857428	0	857428	'0.9320	743095	0	743095	'0.8077	'-0.1243
	Non Resident Indians (Non Repat)	217195	0	217195	'0.2361	388225	0	388225	'0.4220	'0.1859
	Non Resident Indians (Repat)	515657	0	515657	'0.5605	827840	0	827840	'0.8998	'0.3393
	Clearing Member	1527857	0	1527857	'1.6607	931109	0	931109	'1.0121	- '0.6486
	Bodies Corporate	4862117	5	4862122	'5.2849	5658626	5	5658631	'6.1507	'-0.8658
	Sub Total (B)(3)	31507655	1130	31508785	'34.2486	32909378	1130	32910508	'35.7722	'1.5236
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	32255445	1130	32256575	'35.0614	32994629	1130	32995759	'35.8648	'0.8034
	Total (A)+(B)	91999040	1130	92000170	'100.00	91999040	1130	92000170	'100.00	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	91999040	1130	92000170	'100.00	91999040	1130	92000170	'100.00	

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 31-03-2017			Share holding at the end of the year -31-03-2018			
		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	12022258	13.07		12153989	13.21		0.14
2	Laxmi Kant Dwarka Das AAAHL9403N	10065900	10.94		10065900	10.94		0
3	Prakash Chandra Jhunjhunwala AAKPJ4437C	9956100	10.82		9764032	10.61		(0.21)
4	Laxmikant Jhunjhunwala AEJPJ8858H	5602600	6.09	6.09	5602600	6.09	6.09	0
5	Umadevi Jhunjhunwala ABQPJ7823H	3433819	3.73		2757972	3.00		(0.73)
6	Naina Devi Jhunjhunwala AANPJ0921A	4184448	4.55	4.53	4183448	4.55	4.53	0
7	Praksash Chandra Jhunjhunwal(HUF)	3815900	4.15		3812900	4.15		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	Vatsal Jhunjhunwala AGHPJ6163E	450000	0.49		499721	0.54		0.05
13	Vridhi Jhunjhunwala AMWPJ0962E	450000	0.49		450000	0.49		0
14	Francoise commerce Private Limited	420000	0.46		420000	0.46		0
15	Vridhi Trust	188780	0.21		188780	0.21		0
16	Shivam Trust	120549	0.13		120549	0.13		0
17	Madhu Prakash Jhunjhunwala	1356	0.00		2356	0.00		(0.00)
18	Vatsal Trust	49721	0.05		0	0		(0.05)
	Total	59743595	64.94	17.36	59004411	64.14	17.36	(0.80)

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

S.NO	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
1	MARVEL BUSINESS PRIVATE LTD	12022258	13.07			12022258	13.07
				15 May 2017	164490	12186748	13.2464
	Transfer			30 Jun 2017	96277	12283025	13.3511
	Transfer			07 Jul 2017	278782	12561807	13.6541
	Transfer			14 Jul 2017	(16688)	12545119	13.6360
	Transfer			21 Jul 2017	(180000)	12365119	13.4403
	Transfer			08 Sep 2017	(71500)	12293619	13.3626
	Transfer			22 Sep 2017	231103	12524722	13.6138
	Transfer			06 Oct 2017	(181118)	12343604	13.4169
	Transfer			13 Oct 2017	(164485)	12179119	13.2381
	Transfer			03 Nov 2017	(25130)	12153989	13.2108
	AT THE END OF THE YEAR					12153989	13.2108
2	LAKSHMI KANT DWARKADAS	10065900	10.9412			10065900	10.9412
	AT THE END OF THE YEAR					10065900	10.9412
3	PRAKASHCHANDRA DWARKADAS JHUNJHUNWALA	9956100	10.8218			9956100	10.8218
	Transfer			02 Jun 2017	(9641)	9946459	10.8113
	Transfer			09 Jun 2017	(13241)	9933218	10.7970
	Transfer			16 Jun 2017	(7593)	9925625	10.7887
	Transfer			23 Jun 2017	(13805)	9911820	10.7737
	Transfer			30 Jun 2017	(20000)	9891820	10.7520
	Transfer			07 Jul 2017	(104512)	9787308	10.6384
	Transfer			14 Jul 2017	(16896)	9770412	10.6200
	Transfer			21 Jul 2017	(1380)	9769032	10.6185
	Transfer			01 Sep 2017	(7000)	9762032	10.6109
	Transfer			13 Oct 2017	(3000)	9759032	10.6076
	Transfer			27 Oct 2017	(5000)	9754032	10.6022
	Transfer			17 Nov 2017	5000	9759032	10.6076
	Transfer			29 Dec 2017	3000	9762032	10.6109
	Transfer			05 Jan 2018	2000	9764032	10.6131
	AT THE END OF THE YEAR					9764032	10.6131
4	LAKSHMI KANT JHUNJHUNWALA	5602600	6.0898			5602600	6.0898
	AT THE END OF THE YEAR					5602600	6.0898
5	NAINA JHUNJHUNWALA	4184448	4.5483			4184448	4.5483
	Transfer			14 Jul 2017	2000	4186448	4.5505
	Transfer			22 Sep 2017	(5000)	4181448	4.5450
	Transfer			17 Nov 2017	2000	4183448	4.5472
	AT THE END OF THE YEAR					4183448	4.5472
6	PRAKASHCHANDRA DWARKADAS JHUNJHUNWALA	3815900	4.1477			3815900	4.1477
	Transfer			24 Nov 2017	(3000)	3812900	4.1444
	AT THE END OF THE YEAR					3812900	4.1444
7	ADITYA JHUNJHUNWALA	3704200	4.0263			3704200	4.0263
	AT THE END OF THE YEAR					3704200	4.0263
8	UMADEVI JHUNJHUNWALA	3433819	3.7324			3433819	3.7324
	Transfer			07 Apr 2017	(4000)	3429819	3.7281
	Transfer			21 Apr 2017	(9000)	3420819	3.7183
	Transfer			28 Apr 2017	(14047)	3406772	3.7030
	Transfer			05 May 2017	(4000)	3402772	3.6987
	Transfer			12 May 2017	(113033)	3289739	3.5758
	Transfer			02 Jun 2017	8301	3298040	3.5848
	Transfer			09 Jun 2017	(26064)	3271976	3.5565
	Transfer			16 Jun 2017	(10000)	3261976	3.5456
	Transfer			23 Jun 2017	(7000)	3254976	3.5380
	Transfer			30 Jun 2017	(14000)	3240976	3.5228

	Transfer			07 Jul 2017	(144520)	3096456	3.3657
	Transfer			14 Jul 2017	(13374)	3083082	3.3512
	Transfer			21 Jul 2017	(1000)	3082082	3.3501
	Transfer			11 Aug 2017	(42446)	3039636	3.3039
	Transfer			25 Aug 2017	(3000)	3036636	3.3007
	Transfer			01 Sep 2017	(13000)	3023636	3.2866
	Transfer			08 Sep 2017	(4000)	3019636	3.2822
	Transfer			15 Sep 2017	(6000)	3013636	3.2757
	Transfer			06 Oct 2017	(2007)	3011629	3.2735
	Transfer			27 Oct 2017	(32198)	2979431	3.2385
	Transfer			15 Dec 2017	(1937)	2977494	3.2364
	Transfer			22 Dec 2017	(39763)	2937731	3.1932
	Transfer			12 Jan 2018	(4000)	2933731	3.1888
	Transfer			19 Jan 2018	(42256)	2891475	3.1429
	Transfer			26 Jan 2018	(55079)	2836396	3.0830
	Transfer			02 Feb 2018	(23162)	2813234	3.0579
	Transfer			09 Feb 2018	(1644)	2811590	3.0561
	Transfer			16 Feb 2018	(11352)	2800238	3.0437
	Transfer			23 Feb 2018	(1000)	2799238	3.0426
	Transfer			02 Mar 2018	(5755)	2793483	3.0364
	Transfer			09 Mar 2018	(4000)	2789483	3.0320
	Transfer			16 Mar 2018	(4000)	2785483	3.0277
	Transfer			23 Mar 2018	(18855)	2766628	3.0072
	Transfer			31 Mar 2018	(8656)	2757972	2.9978
	AT THE END OF THE YEAR					2757972	2.9978
9	SANJAY JHUNJHUNWALA	2494600	2.7115			2494600	2.7115
	AT THE END OF THE YEAR					2494600	2.7115
10	K M VYAPAR PRIVATE LTD	2283364	2.4819			2283364	2.4819
	AT THE END OF THE YEAR					2283364	2.4819
11	JHUNJHUNWALA SECURITIES PRIVATE LIMITED	500000	0.5435			500000	0.5435
	AT THE END OF THE YEAR					500000	0.5435
12	VATSAL JHUNJHUNWALA	450000	0.4891			450000	0.4891
	Transfer			31 Mar 2018	49721	499721	0.5432
	AT THE END OF THE YEAR					499721	0.5432
13	VRIDHI JHUNJHUNWALA	450000	0.4891			450000	0.4891
	AT THE END OF THE YEAR					450000	0.4891
14	FRANCOISE COMMERCE PRIVATE LIMITED	420000	0.4565			420000	0.4565
	AT THE END OF THE YEAR					420000	0.4565
15	VRIDHI TRUST	188780	0.2052			188780	0.2052
	AT THE END OF THE YEAR					188780	0.2052
16	SHIVAM TRUST	120549	0.1310			120549	0.1310
	AT THE END OF THE YEAR					120549	0.1310
17	MADHU PRAKASH JHUNJHUNWALA	1356	0.0015			1356	0.0015
	Transfer			19 Jan 2018	1000	2356	0.0026
	AT THE END OF THE YEAR					2356	0.0026
18	VATSAL TRUST	49721	0.0540			49721	0.0540
	Transfer			23 Mar 2018	(49721)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

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

Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year – 2018	
	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	KARVY STOCK BROKING LTD- F-O MARGIN	1389798	1.5106			1389798	1.5106
	Transfer			07 Apr 2017	(449999)	939799	07 Apr 2017
	Transfer			14 Apr 2017	(738331)	201468	14 Apr 2017
	Transfer			21 Apr 2017	(99571)	101897	21 Apr 2017
	Transfer			28 Apr 2017	4607	106504	28 Apr 2017
	Transfer			05 May 2017	(2467)	104037	05 May 2017
	Transfer			12 May 2017	3282	107319	12 May 2017
	Transfer			19 May 2017	(7271)	100048	19 May 2017
	Transfer			26 May 2017	42523	142571	26 May 2017
	Transfer			02 Jun 2017	9766	152337	02 Jun 2017
	Transfer			09 Jun 2017	(6230)	146107	09 Jun 2017
	Transfer			16 Jun 2017	(8799)	137308	16 Jun 2017
	Transfer			23 Jun 2017	1315	138623	23 Jun 2017
	Transfer			30 Jun 2017	16142	154765	30 Jun 2017
	Transfer			07 Jul 2017	48132	202897	07 Jul 2017
	Transfer			14 Jul 2017	7051	209948	14 Jul 2017
	Transfer			21 Jul 2017	(4437)	205511	21 Jul 2017
	Transfer			28 Jul 2017	(725)	204786	28 Jul 2017
	Transfer			04 Aug 2017	(3797)	200989	04 Aug 2017
	Transfer			11 Aug 2017	(33780)	167209	11 Aug 2017
	Transfer			18 Aug 2017	5050	172259	18 Aug 2017
	Transfer			25 Aug 2017	212736	384995	25 Aug 2017
	Transfer			01 Sep 2017	(131333)	253662	01 Sep 2017
	Transfer			08 Sep 2017	(24731)	228931	08 Sep 2017
	Transfer			15 Sep 2017	(7945)	220986	15 Sep 2017
	Transfer			22 Sep 2017	18246	239232	22 Sep 2017
	Transfer			29 Sep 2017	(2846)	236386	29 Sep 2017
	Transfer			06 Oct 2017	2562	238948	06 Oct 2017
	Transfer			13 Oct 2017	3572	242520	13 Oct 2017
	Transfer			20 Oct 2017	6647	249167	20 Oct 2017
	Transfer			27 Oct 2017	8039	257206	27 Oct 2017
	Transfer			03 Nov 2017	(1586)	255620	03 Nov 2017
	Transfer			10 Nov 2017	(511)	255109	10 Nov 2017
	Transfer			17 Nov 2017	13014	268123	17 Nov 2017
	Transfer			24 Nov 2017	758198	1026321	24 Nov 2017
	Transfer			01 Dec 2017	5561	1031882	01 Dec 2017
	Transfer			08 Dec 2017	(282)	1031600	08 Dec 2017
	Transfer			15 Dec 2017	6113	1037713	15 Dec 2017
	Transfer			22 Dec 2017	478	1038191	22 Dec 2017
	Transfer			29 Dec 2017	22900	1061091	29 Dec 2017

	Transfer			05 Jan 2018	16700	1077791	05 Jan 2018
	Transfer			12 Jan 2018	305785	1383576	12 Jan 2018
	Transfer			19 Jan 2018	4047	1387623	19 Jan 2018
	Transfer			26 Jan 2018	1387	1389010	26 Jan 2018
	Transfer			02 Feb 2018	(1906)	1387104	02 Feb 2018
	Transfer			09 Feb 2018	(49225)	1337879	09 Feb 2018
	Transfer			16 Feb 2018	(10510)	1327369	16 Feb 2018
	Transfer			23 Feb 2018	1176	1328545	23 Feb 2018
	Transfer			02 Mar 2018	2136	1330681	02 Mar 2018
	Transfer			09 Mar 2018	1720	1332401	09 Mar 2018
	Transfer			16 Mar 2018	400	1332801	16 Mar 2018
	Transfer			23 Mar 2018	(53010)	1279791	23 Mar 2018
	Transfer			31 Mar 2018	1140	1280931	31 Mar 2018
	AT THE END OF THE YEAR					1280931	1.3923
2	ASHIKA CREDIT CAPITAL LIMITED	0	0.0000			0	0.0000
	Transfer			30 Jun 2017	1269378	1269378	1.3798
	Transfer			14 Jul 2017	40858	1310236	1.4242
	Transfer			08 Sep 2017	25000	1335236	1.4513
	Transfer			15 Sep 2017	(25000)	1310236	1.4242
	Transfer			29 Sep 2017	2500	1312736	1.4269
	Transfer			20 Oct 2017	(2500)	1310236	1.4242
	Transfer			10 Nov 2017	(1000000)	310236	0.3372
	Transfer			17 Nov 2017	1000000	1310236	1.4242
	Transfer			12 Jan 2018	(130789)	1179447	1.2820
	Transfer			19 Jan 2018	(93490)	1085957	1.1804
	AT THE END OF THE YEAR					1085957	1.1804
3	FAIRWEALTH FINANCIAL SERVICES LIMITED	0	0.0000			0	0.0000
	Transfer			29 Dec 2017	160000	160000	0.1739
	Transfer			16 Mar 2018	555000	715000	0.7772
	AT THE END OF THE YEAR					715000	0.7772
4	MOTILAL OSWAL FINANCIAL SERVICES LIMITED	365021	0.3968			365021	0.3968
	Transfer			12 May 2017	29612	394633	0.4289
	Transfer			19 May 2017	21060	415693	0.4518
	Transfer			26 May 2017	82255	497948	0.5412
	Transfer			04 Aug 2017	(35058)	462890	0.5031
	Transfer			13 Oct 2017	5130	468020	0.5087
	Transfer			27 Oct 2017	4870	472890	0.5140
	Transfer			10 Nov 2017	25058	497948	0.5412
	Transfer			17 Nov 2017	10000	507948	0.5521
	Transfer			08 Dec 2017	(10000)	497948	0.5412
	AT THE END OF THE YEAR					497948	0.5412
5	MANGLA SUBHASH RATHOD	918357	0.9982			918357	0.9982
	Transfer			30 Jun 2017	(3734)	914623	0.9942
	Transfer			01 Sep 2017	3734	918357	0.9982
	Transfer			20 Oct 2017	(160126)	758231	0.8242
	Transfer			24 Nov 2017	(89895)	668336	0.7265

	Transfer			01 Dec 2017	(31554)	636782	0.6922
	Transfer			08 Dec 2017	(73474)	563308	0.6123
	Transfer			22 Dec 2017	(86760)	476548	0.5180
	AT THE END OF THE YEAR					476548	0.5180
6	MANJU RAKESH JAIN	0	0.0000			0	0.0000
	Transfer			25 Aug 2017	21000	21000	0.0228
	Transfer			08 Sep 2017	4571	25571	0.0278
	Transfer			15 Sep 2017	10000	35571	0.0387
	Transfer			19 Jan 2018	5566	41137	0.0447
	Transfer			26 Jan 2018	8863	50000	0.0543
	Transfer			09 Feb 2018	10000	60000	0.0652
	Transfer			09 Mar 2018	48000	108000	0.1174
	Transfer			16 Mar 2018	14235	122235	0.1329
	Transfer			23 Mar 2018	177765	300000	0.3261
	AT THE END OF THE YEAR					300000	0.3261
7.	AADISHU SECURITIES PRIVATE LTD	300000	0.3261			300000	0.3261
	Transfer			16 Feb 2018	(5593)	294407	0.3200
	AT THE END OF THE YEAR					294407	0.3200
8	PADMINI VINIYOG PRIVATE LIMITED	777576	0.8452			777576	0.8452
	Transfer			12 May 2017	(29612)	747964	0.8130
	Transfer			19 May 2017	(21060)	726904	0.7901
	Transfer			26 May 2017	(82255)	644649	0.7007
	Transfer			17 Nov 2017	(9500)	635149	0.6904
	Transfer			22 Dec 2017	(424800)	210349	0.2286
	AT THE END OF THE YEAR					210349	0.2286
9	SUBHASH RATHOD	2638422	2.8678			2638422	2.8678
	Transfer			21 Apr 2017	(25000)	2613422	2.8407
	Transfer			28 Apr 2017	(233689)	2379733	2.5867
	Transfer			02 Jun 2017	(104749)	2274984	2.4728
	Transfer			16 Jun 2017	(3195)	2271789	2.4693
	Transfer			30 Jun 2017	(1259116)	1012673	1.1007
	Transfer			07 Jul 2017	40858	1053531	1.1451
	Transfer			14 Jul 2017	(40858)	1012673	1.1007
	Transfer			04 Aug 2017	73441	1086114	1.1806
	Transfer			11 Aug 2017	(13040)	1073074	1.1664
	Transfer			18 Aug 2017	(76335)	996739	1.0834
	Transfer			01 Sep 2017	438	997177	1.0839
	Transfer			29 Sep 2017	28920	1026097	1.1153
	Transfer			20 Oct 2017	(2)	1026095	1.1153
	Transfer			10 Nov 2017	1000000	2026095	2.2023
	Transfer			17 Nov 2017	(1000000)	1026095	1.1153
	Transfer			22 Dec 2017	(52455)	973640	1.0583
	Transfer			29 Dec 2017	(82827)	890813	0.9683
	Transfer			05 Jan 2018	(351126)	539687	0.5866
	Transfer			12 Jan 2018	(163680)	376007	0.4087
	Transfer			19 Jan 2018	(48789)	327218	0.3557
	Transfer			26 Jan 2018	(187634)	139584	0.1517

	Transfer			09 Feb 2018	(12753)	126831	0.1379
	Transfer			23 Feb 2018	(74267)	52564	0.0571
	AT THE END OF THE YEAR					52564	0.0571
10	FAIRWEALTH SECURITIES LIMITED	418210	0.4546			418210	0.4546
	Transfer			07 Apr 2017	(1710)	416500	0.4527
	Transfer			14 Apr 2017	500	417000	0.4533
	Transfer			21 Apr 2017	(2050)	414950	0.4510
	Transfer			28 Apr 2017	(200)	414750	0.4508
	Transfer			12 May 2017	(70)	414680	0.4507
	Transfer			19 May 2017	9590	424270	0.4612
	Transfer			26 May 2017	(430)	423840	0.4607
	Transfer			02 Jun 2017	(1050)	422790	0.4596
	Transfer			09 Jun 2017	(50)	422740	0.4595
	Transfer			23 Jun 2017	20250	442990	0.4815
	Transfer			07 Jul 2017	15000	457990	0.4978
	Transfer			14 Jul 2017	(4000)	453990	0.4935
	Transfer			21 Jul 2017	(1000)	452990	0.4924
	Transfer			04 Aug 2017	5000	457990	0.4978
	Transfer			11 Aug 2017	5000	462990	0.5032
	Transfer			22 Sep 2017	(1450)	461540	0.5017
	Transfer			06 Oct 2017	(5991)	455549	0.4952
	Transfer			13 Oct 2017	450	455999	0.4957
	Transfer			27 Oct 2017	200	456199	0.4959
	Transfer			03 Nov 2017	(4800)	451399	0.4907
	Transfer			17 Nov 2017	(49040)	402359	0.4373
	Transfer			24 Nov 2017	20550	422909	0.4597
	Transfer			08 Dec 2017	5000	427909	0.4651
	Transfer			15 Dec 2017	100	428009	0.4652
	Transfer			29 Dec 2017	150100	578109	0.6284
	Transfer			05 Jan 2018	100	578209	0.6285
	Transfer			12 Jan 2018	100	578309	0.6286
	Transfer			19 Jan 2018	(100)	578209	0.6285
	Transfer			26 Jan 2018	(2300)	575909	0.6260
	Transfer			09 Feb 2018	200	576109	0.6262
	Transfer			09 Mar 2018	(200)	575909	0.6260
	Transfer			16 Mar 2018	(555000)	20909	0.0227
	AT THE END OF THE YEAR					20909	0.0227

(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	5602600	6.09
	At the End of the year	5602600	6.09	5602600	6.09
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)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtness
i) Principal Amount	13977.52	144.96	-	14122.48
ii) Interest due but not paid	8.8	-	-	8.8
iii) Interest accrued but not due	587.5	-	-	587.5
Total (i+ii+iii)	14573.82	144.96	-	14718.78
Change in Indebtedness during the financial year				
i) Addition	288.78	2035.57	-	2324.35
ii) Reduction	-7028.52	-	-	-7028.52
Net Change	-6739.74	2035.57		-4704.17
Indebtedness at the end of the financial year				
i) Principal Amount	7692.80	2180.53	-	9873.33
ii) Interest due but not paid	136.60	-	-	136.6
iii) Interest accrued but not due	4.68	-	-	4.68
Total (i+ii+iii)	7834.08	2180.53	-	10014.61

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 provisions contained in section 17(1) of the Income-tax Act,1961	3600000	2400000	2400000	2400000	10800000
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	202040	215242	113990	274457	805729
	(c) Profits in lieu of salary under section7(3)Incometax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify-P.F.	432000	288000	288000	288000	1296000
	Total (A)	4234040	2903242	2801990	2962457	12901729
	Ceiling as per the Act					20002000

'* 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- Rs.
		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	54000	54000	62000	15000	185000
	Total (1)	54000	54000	62000	15000	185000

	2. Other Non-Executive Directors Fee for attending board /committee meetings Commission Others, please specify	0 0				0
	Total (2)	0	0	0	0	0
	Total(B)=(1+2)	54000	54000	62000	15000	185000
	Total Managerial Remuneration	54000	54000	62000	15000	185000
	Overall Ceiling as per the Act	0	0	0	0	2000200

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	-	1208339	1413606	2621945
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(P.F)	0	0	86400	0
	Total	0	1208339	1500006	2708345
	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) –alongwith remuneration 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: 07.08.2018
Place: Lucknow

Annexure - 8 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 31-03-2018 (In Rs.)*	*Remuneration- year ended 31-03-2017 (In Rs.)*	*% increase/ (Decrease) in remuneration **	*Ratio of remuneration to median remuneration of employees*	*Ratio of the remuneration to Net Profit year ended 31-03-2018*
Shri L.K. Jhunjhunwala	Whole Time Director	42.34	111.57	(62.05)%	20.35:1.00	0.02:1.00
Shri Aditya Jhunjhunwala	Mg. Director	29.03	97.25	(70.15)%	13.95:1.00	0.01:1.00
Shri Sanjay Jhunjhunwala	Jt. Mg. Director	28.02	97.48	(71.25) %	13.47:1.00	0.01:1.00
Shri S.C.Agarwal	Exe. Director-cum- CEO	29.62	28.34	4.52 %	14.23:1.00	0.01:1.00

Name(s) of Independent Directors	Remuneration – Year ended 31-03-2018 (In Rs.)	Remuneration in year ended 31-03-2017 (In Rs.)	% increase in remuneration
Sh. H.P. Singhania	0.54	0.22	145.00%
Sh. R.S. Shukla	0.54	0.44	22.72%
Sh. S.K. Gupta	0.62	0.52	19.23%
Mrs. MadhuMathur	0.15	0.15	0.00 %

There is increase in sitting fee during the year under review.

(Amt. in Lakhs)

Name of Non-Executive Director	*Remuneration - (In Rs.)**	*Remuneration in year ended 31-03-2017 (In Rs.)*	*% increase in remuneration*
Sh. A.K. Mishra	0.00	0.00	-

* Sitting fee was increased in the year under review.

(Amt. In Lakhs)

Name of KMP	*Remuneration – Year ended 31-03-2018 (In Rs.)**	*Remuneration year ended 31-03-2017 (In Rs.)*	*% increase in remuneration*	*Ratio of the remuneration to Net Profit for the year ended 31-03-2018*
Sh. Arvind Gupta	15.00	13.22	13.46%	0.007:1.00
Sh. Rajeev Kumar	12.08	10.29	17.39%	0.006:1.00

* The figures are comparable

A) Statement of particulars of remuneration as per Rule 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 Shri Aditya Jhunjhunwala Shri Sanjay Jhunjhunwala Shri S.C.Agarwal	20.35:1.00 13.95:1.00 13.47:1.00 14.23:1.00	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 Managing Director Joint Managing Director Executive Director –cum-CEO CFO CS	(62.05)% (70.15)% (71.25)% 4.52% 13.46% 17.39%	Note-4

3	The percentage increase in the median remuneration of employees in the financial year	3.89 %	
4	The number of permanent employees on the rolls of company	229 nos.	
5	The explanation on the relationship between average increase in remuneration and company performance	The performance of the Company during the year in terms of revenue and profitability is one of the important parameters considered while deciding the increase in the remuneration of the employees. The revision in remuneration of employees is based on the following fundamental principles, which directly impact the Company's performance : a-Demand –supply relationship of the job skill/ expertise; b-Company's need to retain and attract Human Resources and talent; c- Employee's social aspiration for enhancing standard of living; d- Increase in cost of living ;	Note-2
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Total Remuneration Rs. In lacs Financial Year: 2016-17 / 2017-18 Increase/(Decrease) in % 358.21 / 156.11 / (56.42)% Revenue of the Company Rs. In lacs Financial Year 2016-17 / Financial Year 2017-18 / Increase in % 36369.84 / 50654.79 / 39.27 % Profit before Tax and exceptional items Rs. In lacs Financial Year 2016-17 / Financial Year 2017-18 / Increase/Decrease in % 3724.53 / 2932.05 / (21.27)%	Note-3
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	Particulars / Unit / As at 31-03-2018 / As at 31-03-2017 / Variation Closing rate at NSE / Rs. / 9.45 / 26.80 / (183.59)% EPS Consolidated / Rs. / 2.05 / 4.03 / (96.58)% Market Capitalization / Rs./ lacs / 8694.01 / 24656 / (183.60)% Price Earnings Ratio / Ratio / 4.60:1 / 6.65:1 / (30.82)%	Increase/ Decrease in %
8	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	a. Average percentile increase in the salary of employees other than managerial persons 3.89 % b. Percentage increase in the remuneration of Whole Time Working Directors (61.45) % - Directors' Remuneration is in line with the industry practice and within the limit specified under section 197 of the Companies Act,2013 read with schedule V . - No Commission paid to the Whole Time Directors during the year under review.	2017-18

<table>
<tr><td>9</td><td>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company</td><td>Remuneration of KMPs
(Rs. In Lacs)
<table>
<tr><th rowspan="2">Name & Designation</th><th colspan="2">Financial Year</th><th rowspan="2">Increase/ Decrease %</th></tr>
<tr><th>2016-17</th><th>2017-18</th></tr>
<tr><td>LKJ, Ch.</td><td>111.57</td><td>42.34</td><td>(62.05)%</td></tr>
<tr><td>AJ, MD</td><td>97.25</td><td>29.03</td><td>(70.15)%</td></tr>
<tr><td>SJ,JMD</td><td>97.48</td><td>28.02</td><td>(71.25)%</td></tr>
<tr><td>SCA,ED-CEO</td><td>28.34</td><td>29.62</td><td>4.52 %</td></tr>
<tr><td>CFO</td><td>13.22</td><td>15.00</td><td>13.46%</td></tr>
<tr><td>CS</td><td>10.29</td><td>12.08</td><td>17.39%</td></tr>
<tr><td colspan="2">Increase in the revenue of the Company (%)</td><td colspan="2">Increase in Profit before tax and exceptional items(%)</td></tr>
<tr><td colspan="2">39.27%</td><td colspan="2">(-)21.27%</td></tr>
</table></td><td></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 Board on the recommendation of Nomination-cum-Remuneration Committee
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 NIL</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</td><td>No Such Case</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. No Commission paid to the Whole Time Directors during the year under review.
3. The remuneration levels and periodic increases have no direct correlation to the company's performance but are determined in the normal course of business and in line with industry norms.
4. The company did not come out with Public Offer.

Annexure-9

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
[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, 2018 complied with the statutory provisions listed hereunder and also;

ii. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable as the Company has not made any such transaction during the financial year under review;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (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 the systems and processes in the company require further strengthening and improvements, considering the size and operations of the company to enable effective monitoring and ensuring of compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has no material reportable event.

For Pragati Gupta
Practising Company Secretaries

Pragati Gupta
Proprietor
Membership No. : A19302
C.P. No. 7878

Date: 07.08.2018
Place: Lucknow

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

To,
The Members,
K M SUGAR MILLS LIMITED,
11, 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 Pragati Gupta
Practising Company Secretaries

Pragati Gupta
Proprietor
Membership No. : A19302
C.P. No. 7878

Date: 07.08.2018
Place: Lucknow

Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To

The Members of K.M. Sugar Mills Ltd.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of K.M. Sugar Mills Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 31st March, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention on Note No.35.13 to the Ind AS financial statements regarding reversal of interest liability provided in the previous year for Rs.1213.53 lakhs on delayed can payment dues pertaining to cane seasons 2012-13 to 2016-17 on the basis of expert's opinion sought.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including other Comprehensive Income, the

statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rules issued thereunder;

(e) On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of Section 164(2) of the Act;

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

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

i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial Statements – Refer Note – 35.5 to the Ind AS financial statements;

ii. the company has made provisions, as required under applicable law or accounting standards, for material foreseeable losses, if any, 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 Agiwal & Associates
Chartered Accountants
(FRN: 000181N)
P.C. Agiwal
Partner
M.No. 080475

Place: Lucknow
Date: 22.05.2018

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements of K.M. Sugar Mills Ltd. for the year ended 31st March, 2018, we report that:

(i) In respect of its fixed assets:

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

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

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

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

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

(iv) In our opinion and according to the information and explanations given to us, the Company is in compliance with the provisions of section 185 and 186 of Companies Act, 2013 as on 31.03.2018 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 cost accounts and records as prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 have been prima facie made and maintained by the company. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including

provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable except some small delays.

According to the information and explanations given to us, no undisputed dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they become payable.

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

Name of the statute	Nature of dues	Gross demand Amount (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which pertain	Forum where dispute is pending
Entry Tax Act	Entry Tax	1.34	1.34	2012-13	Additional. Commissioner (Appeal), Commercial Tax, Faizabad
Value Added Tax Act	VAT	2.04	2.04	2013-14	Additional Commissioner Appeal, Faizabad
		5.23	-	2014-15	Additional Commissioner Appeal, Faizabad
		30.97	-	2014-15	Commercial Tax commissioner, Bihar
Income Tax Act	Income Tax	21,585.75	-	2015-16	Commissioner of Income (Appeals), Kanpur

(viii) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of loans / borrowings to the financial institutions, banks, Government or a debenture holders at the end of year.

(ix) According to the information and explanations given to us, the Company has not raised money by way of term loans during the year.

(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 Agiwal & Associates
Chartered Accountants
(FRN: 000181N)
P.C. Agiwal
Partner
M.No. 080475

Place: Lucknow
Date: 22.05.2018

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 Ltd. ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over

Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Agiwal & Associates
Chartered Accountants
(FRN: 000181N)
P.C. Agiwal
Partner
M.No. 080475

Place: Lucknow
Date: 22.05.2018

Balance Sheet

K.M Sugar Mills Limited

CIN : L15421UP1971PLC003492

Balance Sheet as at 31st March, 2018

(Amount in Rs.)

PARTICULARS	Notes No.	Current Year As at March 31,2018	Previous Year As at March 31, 2017	Previous Year As at April 01, 2016
I ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	940,093,035	952,288,361	614,161,203
(b) Capital work-in-progress	3A	955,351	-	1,666,085
(c) Intangible assets	3B	258,023	82,118	220,650
(d) Financial assets				
(i) Loan	4	32,123,594	33,723,952	42,165,239
(ii) Non-current Investments	5	72,579,806	77,460,573	25,932,279
(e) Deferred tax asset (net)	18	8,625,805	51,479,873	-
(f) Non -current Tax assets (net)	6	17,194,740	10,185,797	1,258,285
(g) Other non-current assets	7	21,598,250	10,674,143	10,716,628
		1,093,428,605	1,135,894,817	696,120,368
2 Current assets				
(a) Inventories	8	1,631,716,988	2,262,395,417	1,551,559,468
(b) Financial assets				
(i) Trade and other receivables	9	223,221,248	165,418,874	266,657,854
(ii) Cash and cash equivalents	10	106,644,005	83,481,885	65,997,137
(iii) Bank Balance other than cash and cash equivalents	10A	34,559,024	31,308,607	22,420,863
(iv) Other Financial assets	11	3,139,714	858,830	7,623,366
(c) Current Tax Assets (net)		-	-	`
(d) Other current assets	12	42,184,249	84,162,007	87,183,849
		2,041,465,228	2,627,625,620	2,001,442,537
Total Assets		3,134,893,833	3,763,520,437	2,697,562,905
II EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	13	184,000,340	184,000,340	184,000,340
(b) Other Equity	14	659,917,659	471,043,026	101,735,559
		843,917,999	655,043,366	285,735,899
LIABILITIES				
2 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowing	15	315,329,914	269,738,357	294,202,460
(ii) Other financial liabilitties	16	-	4,567,437	-
(b) Other non current liabilities	17	8,714,218	23,859,318	30,741,273
(c) Deferred tax liabilities (net)	18	-	-	14,356,707
(d) Provisions	19	49,235,119	211,387,038	207,826,080
		373,279,251	509,552,151	547,126,520
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowing	20	575,305,428	956,521,021	364,404,875
(ii) Trade payables and other payables	21	1,095,651,262	924,874,123	949,895,702
(iii) Other financial liabilities	22	150,110,220	334,204,157	422,213,109
(b) Other current liabilities	23	93,588,676	379,152,297	125,955,205
(c) Provisions	19	3,040,998	4,173,322	2,231,595
		1,917,696,584	2,598,924,920	1,864,700,486
Total Equity and Liabilities		3,134,893,833	3,763,520,437	2,697,562,905

Corporate Information	1
Significant Accounting Policies	2
Other disclosures	35

The accoumpaying notes 1 to 35 are an integral part of the financial statements

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

For and on behalf of Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

Aditya Jhunjhunwala
Managing Director
DIN-01686189

Date : 22nd May, 2018
Place : Lucknow

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

K.M Sugar Mills Limited

CIN : L15421UP1971PLC003492

Statement of Profit and Loss for the year ended 31st March, 2018

Profit and Loss Account

(Amount in Rs.)

	PARTICULARS	Notes No.	Current Year Year Ended 31st March,18	Previous Year Year Ended 31st March,17
I	Revenue From Operations	24	4,697,831,595	3,530,287,431
II	Other Income	25	367,647,150	106,696,474
III	Total Income (I+II)		5,065,478,745	3,636,983,905
IV	EXPENSES			
	Cost of materials consumed	26	3,392,304,698	2,952,990,457
	Purchase of Stock-in-Trade	27	38,856,420	122,768,100
	Excise duty Expenses	28	70,099,575	168,433,987
	Change in inventories of Finished Goods, by product and work in progress	29	505,570,125	(684,486,743)
	Employee benefits expense	30	117,837,513	118,973,518
	Finance costs	31	112,109,080	97,319,121
	Depreciation and amortization expense	32	134,468,827	97,354,271
	Other expenses	33	401,027,200	391,178,628
	Total expenses		4,772,273,437	3,264,531,340
V	Profit/(loss) before exceptional items and tax (III-IV)		293,205,308	372,452,565
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		293,205,308	372,452,565
VIII	Tax expense:			
	Current tax		61,700,000	66,066,000
	MAT Credit entitlement		(61,700,000)	(54,571,177)
	Deferred tax		104,552,163	(10,177,194)
		34	104,552,163	1,317,629
IX	Profit (Loss) for the period (VII-VIII)		188,653,146	371,134,937
XI	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	(Gain) / Loss arising on actuarial valution arising on defined benefit obligation		19,163	3,160,339
	(Gain) / Loss arising on fair valution of equity Instrument		(35,989)	(23,930)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,906	(1,088,209)
XII	Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		188,668,065	369,086,736
	Earnings per equity share			
			2.05	4.03
	(2) Diluted		2.05	4.03
	Corporate Information- Note 1			
	Significant Accounting Policies -Note 2		-	
	Other Disclosures -Note 35			
	The accoumpaying notes 1 to 35 are an integral part of the financial statements			
	As per our report of even date attached			

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

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

Date : 22nd May, 2018
Place : Lucknow

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

Aditya Jhunjhunwala
Managing Director
DIN-01686189

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Cash Flow

K.M Sugar Mills Limited

CIN : L15421UP1971PLC003492

Cash Flow Statement for the year ended 31st March, 2018

(Amount in Rs.)

PARTICULARS	Current Year: Year ended 31st March, 18		Previous Year: As at March 31, 2017	Previous Year: As at April 01, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax and exceptional items		293,205,308		372,452,565
Adjustment to reconcile profit before exceptional items and extraoridinary items and tax to net cash flow provided by operating activities:				
Depreciation and amortisation expense	134,468,827		97,354,271	
Finance costs	112,109,080		97,319,121	
Transfer to storage fund for molasses	206,568		220,731	
Provision/reversal of doubtful debts	(1,552,449)		877,077	
Balances written off	3,644,375		12,827,897	
Interest income	(14,587,019)		(7,957,935)	
Government Grant	(14,348,779)		(12,930,140)	
Profit or loss on sale of fixed assets	19,003		(13,229,466)	
Unspent liabilities/balances written back	(294,484,242)		-	
Other expenses	4,046,223		3,785,074	
Remeasurement of defined benefit obligation	(19,163)	(70,497,576)	(3,160,339)	175,106,290
Operating Profit before working capital changes		222,707,733		547,558,855
Adjustment to reconcile operating profit to cash flow provided by change in working capital				
(Increase)/Decrease in trade and other receivables	(62,175,184)		94,298,542	
(Increase) / Decrease in inventories	630,678,429		(710,835,949)	
(Increase) / Decrease in Current & Non current Assets	26,869,420		(17,297,381)	
(Increase) / Decrease in Loan	4,707,405		12,429,550	
Increase / (Decrease) in trade payables & Others	465,261,380		(25,021,578)	
Increase / (Decrease) in Current & Non current Liabilities	(286,359,943)		253,197,091	
Increase / (Decrease) in Other Financial Liabilities	(49,300,830)		(32,036,383)	
Increase / (Decrease) in Provisions	(163,284,243)		5,502,685	
		566,396,434		(419,763,424)
Cash Generated from Operations		789,104,166		127,795,432
Tax expense (excluding wealth tax)		68,708,943		74,993,512
Cash flow before exceptional and extraoridinary items		720,395,223		52,801,920
Exceptional items -Voluntary retirement scheme		-		-
Net Cash generated From Operating Activities (A)		720,395,223		52,801,920
B. Cash Flow from investing activities				
Purchase of fixed assets	(122,468,411)		(433,993,846)	
Sales of fixed assets	-		13,546,499	
Proceeds from sale of Investment (Net)	7,280,000		(51,119,150)	
Addition in CWIP	(955,351)		-	
Interest income received	1,436,880		8,546,735	
Net Cash used in Investing Activities		(114,706,882)		(463,019,762)
C. Cash Flow From Financing activities				
Proceeds for share application money	-		-	
Proceeds of long term borrowings	-		-	
Rrepayments of long term borrowings	(58,755,939)		(112,419,500)	
Proceeds/(repayments) of short term borrowings	(381,215,592)		598,164,332	
Finance cost paid	(142,554,690)		(58,042,241)	
Net Cash From Financing Activities		(582,526,221)		427,702,590
Net increase in Cash & Cash Equivalents (A+B+C)		23,162,120		17,484,748
D. Opening cash and cash equivalents		83,481,885		65,997,137
E. Closing cash and cash equivalents for the purpose of cash flow statement(Refer Note No.)		106,644,005		83,481,885
Increase in Cash & Cash Equivalents (D-E)		23,162,120		17,484,748

Notes:

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

2) Cash and cash equivalents at year end comprises:

Cash on hand	744,246	284,680
Cheque on hand	32,220,768	2,644,503
Balances with scheduled banks		
- current accounts	73,678,667	80,552,378
- In EEFC Account	324	324
	106,644,005	83,481,885
Supplementary Information		
- Restricted Cash Balance (NOTE 10A)*	34,559,024	31,308,607

** amount not included in cash and cash equivalent*

As per our report of even date attached

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

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

Date : 22nd May, 2018
Place : Lucknow

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

Aditya Jhunjhunwala
Managing Director
DIN-01686189

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

Statement of Change in Equity

Statement of change in equity

	Number	Amount (In Rs.)
(a) Equity Capital		
At 1 April 2016	92,000,170	184,000,340
AT 31st March,17	92,000,170	184,000,340
At 31 March 2018	92,000,170	184,000,340

(b) Other equity

Amount (In Rs.)

Description	Reserves and surplus						Items of Other Comprehensive Income			Total
	General Reserve	Initial Depreciation Reserve	Molasses Storage Fund	Sugar Price Equalisation Reserve	Securities Premium Account	Retained Earning	Revaluation reserve	FVTOCI reserve	Gain / Loss arising on actuarial valuation of defined benefit	
As at April 01, 2016	117,817,538	172,450	928,753	1,239,508	268,801,428	(287,688,250)	1,787,468	(608,893)	(714,443)	101,735,559
Profit for the period	-	-	-	-	-	371,134,937	-	-	-	371,134,937
Other Comprehensive Income						-	-	18,409	(2,066,609)	(2,048,200)
Total Comprehensive Income	117,817,538	172,450	928,753	1,239,508	268,801,428	83,446,687	1,787,468	(590,484)	(2,781,052)	470,822,295
Transfer to Molasses Fund	-	-	220,731	-	-	-	-	-	-	220,731
Transfer to retained earning	-	-	-	-	-	274,019	(274,019)	-	-	-
As at March 31, 2017	117,817,538	172,450	1,149,484	1,239,508	268,801,428	83,720,705	1,513,449	(590,484)	(2,781,052)	471,043,026
Profit for the period			-	-	-	188,653,146	-	-	-	188,653,146
Other Comprehensive Income	-	-	-	-	-	-	-	27,686	(12,766)	14,920
Total Comprehensive Income	117,817,538	172,450	1,149,484	1,239,508	268,801,428	272,373,851	1,513,449	(562,799)	(2,793,818)	659,711,091
Transfer to Molasses Fund	-	-	206,568	-	-	-	-	-	-	206,568
Transfer to retained earning	-	-	-	-	-	232,012	(232,012)	-	-	-
As at March 31, 2018	235,635,076	344,899	2,505,535	2,479,016	537,602,856	272,605,863	1,281,438	(562,799)	(2,793,818)	659,917,659

As per our report of even date attached
For Agiwal & Associates
Chartered Accountants
F.R. No 000181N

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

Date : 22nd May, 2018
Place : Lucknow

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

Aditya Jhunjhunwala
Managing Director
DIN-01686189

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate Information

K.M Sugar Mills Limited is a public limited company incorporated and domiciled in India. The registered office of the Company is situated at 11, Moti Bhawan, Collector Ganj, Kanpur, Uttar Pradesh – 208001.

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

The Company is engaged in sugar manufacturing. The principal activity of the Company is manufacturing of sugar and the company is also engaged in power generation using baggase and in manufacturing of ethanol, SDS and using molasses.

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

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

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 - First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India, which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP).

These financial statements for the year ended 31st March, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016.

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

2.2 Basis of Preparation of Financial Statements

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

i) Certain financial assets and financial liabilities measured at fair value and

ii) Defined benefits plan - plan assets measured at fair value.

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

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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.

2.3 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/material.

i) Estimated useful life of Property, plant and equipment

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

ii) Recognition of deferred tax assets for carried forward tax losses and unused tax credit

Deferred tax assets are recognized for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be

available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

iv) Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the discounted cash flow (DCF) model. The company uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

Transition to Ind AS

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

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

Useful life of assets are considered on the base is of Schedule-II of Companies Act, 2013

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Each item of PPE individually costing Rs.5,000 or less is depreciated fully in the year of their put to use.

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

2.5 Intangible assets (Computer Software)

Transition to Ind AS:

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

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

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

2.6 Revenue Recognition and Expenses

(i) Revenue is recognized to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

(ii) Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

(iii) 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.

(iv) Insurance claims have been accounted for on cash basis as per past practice.

(v) 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.

(vi) All other Incomes are accounted for on accrual basis.

2.7 Expenses

(i) All expenses are accounted for on accrual basis.

2.8 Inventory

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

Inventories are valued as under:

a) Raw Materials and Finished Goods (except molasses) are carried at lower of cost and net realizable value.

b) Stock of Molasses is carried at net realizable value.

c) Stores & Spares are carried at cost.

d) Goods in Process / WIP are carried at lower of cost and net realizable Value.

e) Banked power with UPPCL is carried at lower of cost and net realizable value.

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

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

2.9 Fair value measurement

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

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

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

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

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

At each reporting date, the management analyses the

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

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

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

2.10 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

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

1) At amortised cost,

2) At fair value through other comprehensive income (FVTOCI), and

3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

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

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

Equity investments

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

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

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

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

De-recognition

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

2.11 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 in the other comprehensive income

(iii) Long term employment benefits

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

(iv)Compensated absences

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

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

2.12 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.

2.13 Government Grants

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

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

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

First time Adopter shall classify all government loan received as financial liability or Equity as per Ind AS- 32. First time adopter shall apply the requirement in Ind AS -20 and Ind AS - 109 to government loan existing at the date of transition to Ind AS and shall not recognized the corresponding benefit of government loan at below market rate of interest as government grant.

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 retained earnings as related to the previous years.

2.14 Financial Derivatives and Commodity Hedging Transactions

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

2.15 Foreign Currency Transactions and Translations

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.

2.16 Taxes on Income

(a) Current Tax

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

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

(b) Deferred Tax

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

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

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

2.17 Impairment of Non financial Assets

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

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

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

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

2.18 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.

2.19 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) Provisions are not recognized for future operating losses.

(iv) 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.

(v) A contingent asset is not recognized in the financial statements.

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

2.20 Investment Property

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

2.21 Segment Reporting

Primary Segment

Based on the guiding principles given in the Ind AS-108 "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.
The operating segments are reported after taken into consideration of Aggregation criteria and Quantitative threshold as mentioned in Para 12 and 13 of Ind AS 108.
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.

2.22 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.

2.23 Cash and Cash Equivalents

Cash and cash equivalents Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.
For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management

2.24 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.

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

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

Date : 22nd May, 2018
Place : Lucknow

For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

Aditya Jhunjhunwala
Managing Director
DIN-01686189

A K Gupta
Chief Financial Officer

Rajeev Kumar
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 3 : Property, Plant and Equipment

(Amount in Rs.)

Particulars	Land (Lease hold)	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
Gross Block									
Balance as at 1st April,16	1,647,776	5,972,794	61,196,361	2,093,286,288	37,538,552	37,647,230	8,749,082	11,255,294	2,257,293,376
Additions	-	-	7,722,461	366,917,930	5,377,199	51,816,153	2,819,591	1,006,596	435,659,930
Disposal/Deduction	-	-	-	2,627,744	2,165,896	1,319,137	2,070,086	1,305,453	9,488,315
Balance as at 31st March,17	1,647,776	5,972,794	68,918,822	2,457,576,475	40,749,855	88,144,246	9,498,587	10,956,437	2,683,464,991
Additions	-	-	6,488,764	105,037,248	3,632,768	1,924,248	3,299,026	1,668,984	122,051,037
Disposal/Deduction	-	-	-	-	45,496	435,659	3,300	43,300	527,755
Less: Provision for Impairment	-	-	-	-	-	-	-	-	-
Balance as at 31st March,18	1,647,776	5,972,794	75,407,586	2,562,613,723	44,337,127	89,632,835	12,794,313	12,582,120	2,804,988,273
Accumulated deprecition									
Balance as at 1st April,16	-	-	31,585,966	1,557,599,706	16,266,558	21,599,148	5,908,643	10,172,153	1,643,132,173
Depreciation for the year	-	-	4,700,254	61,891,930	5,054,388	16,857,494	1,666,423	927,668	91,098,158
Depreciation due to obsolescence	-	-	1,218,649	4,861,005	15,088	9,150	13,690		6,117,581
Disposal/Deduction	-	-		2,496,356	2,153,460	1,191,773	2,024,240	1,305,453	9,171,282
Balance as at 31st March,17	-	-	37,504,869	1,621,856,284	19,182,574	37,274,018	5,564,515	9,794,368	1,731,176,630
Depreciation for the year	-	-	5,141,740	97,550,410	4,854,682	16,445,308	2,806,480	1,311,158	128,109,777
Depreciation due to obsolescence	-	-	1,218,649	4,861,005	15,088	9,150	13,690	-	6,117,581
Disposal/Deduction	-	-	-	-	(45,495)	(416,867)	(3,300)	(43,088)	(508,751)
Balance as at 31st March,18	-	-	43,865,258	1,724,267,699	24,006,849	53,311,608	8,381,385	11,062,438	1,864,895,238

Net Carrying amount
Propert, Plant and Equipment

Net Carrying Amount	Land (Lease hold)	Land (Free hold)	Building	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computers	Total
As at 1st April, 2016	1,647,776	5,972,794	29,610,394	535,686,582	21,271,993	16,048,083	2,840,439	1,083,141	614,161,203
As at 31st March,2017	1,647,776	5,972,794	31,413,953	835,720,191	21,567,281	50,870,228	3,934,072	1,162,069	952,288,361
As at 31st March,2018	1,647,776	5,972,794	31,542,328	838,346,024	20,330,278	36,321,226	4,412,928	1,519,683	940,093,035

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 3A Capital work in Progress

(Amount in Rs.)

Balance as at 01.04.16	1,666,085
Addition * Capitalisation	114,898,960 116,565,045
Balance as at 31 st March,17	-
Addition * Capitalisation	32,476,734 31,521,383
Balance as at 31st March,2018	955,351

Note 3B INTANGIBLE ASSETS

Description	Software
Gross carrying amount as at 01 April 2016 Additions Deductions Other adjustments	2,214,132 - - -
Balance as at 31st March,17	2,214,132
Additions Deductions Other adjustments	417,373 - -
Balance as at 31st March 2018	2,631,505
Acumulated balance as at 01 April 2015	1,993,482
Depreciation for the year Depreciation adjustment Deduction	138,532 - -
Balance as at 31 March 2017	2,132,014
Depreciation for the year Depreciation adjustment Deduction	241,468 - -
Balance as at 31 March 2018	2,373,482
Net carrying amount	
As at 31 st March,2016 As at 31 March, 2017 As at 31 March,2018	220,650 82,118 258,023

Notes to The Financial Statements as at 31st March, 2018

(Amount in Rs.)

	PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Note 4	**Non Current Loan**			
	Carried at amortised cost			
	Security Deposit	32,123,594	33,723,952	42,165,239
	Total	32,123,594	33,723,952	42,165,239
Note 5	**Non Currenrt Investments**			
(i)	Equity Instruments			
	(1) Measured at deemed cost			
	Unquoted			
	In equity shares of companies fully paid up			
	Subsidiary company			
	K M Energy Pvt. Ltd.- Nil (March 2017-730000, 1st April, 16-73000) Shares having face value Rs.10 each	-	7,300,000	7,300,000
	(2) Designated at Fair Value through other comprehensive income			
	Unquoted			
	Chamoli Hydro Power (P) Ltd. 1000 (March 2017-1000, 1st April ,16-1000) shares having Face value Rs.10 each	17,679	17,679	17,679
	K M Shakar Karkhana Pvt Ltd 25000(March,17-25000, 1st April,16-25000) Shares having face value Rs.10 each	285,191	285,191	285,191
	HH Foundation 2000 (March,17 Nil and April,16 NIL) Shares having face value Rs.10 each	20,000	-	-
(ii)	Preferance share (Measured at amortised cost)			
	In 9% Non-cumulative redeemable preference shares fully paid up			
	Subsidiary			
	K M Energy Pvt. Ltd. - Nil (31st March 2017-33,89,215, 1 April 2016 -21,27,300) preference shares having face value Rs.10 each)	-	31,335,874	18,237,614
	Others:			
	Brahma Properties Pvt. Ltd. - 38,50,000 (March 2017-3,850,000, April 2016-Nil) preference shares having face value of Rs.10/- each	37,132,359	33,006,541	-
	K M Energy Pvt. Ltd. 33,89,215 (31st March 2017-Nil, 1 April 2016 -Nil) preference shares having face value Rs.10 each)	34,972,865	-	-
(iii)	Other Investments			
	Designated at Fair Value through other comprehensive income			
	Quoted			
	In equity shares of companies fully paid up			
	Reliance Industries Limited - 168 (31 March, 2017: 168, 1 April, 2016: 168) equity shares of INR 10 each fully paid up. - Quoted	148,310	110,813	86,827
	Reliance Communication Ltd.-42 shares (31 March, 2017: 42, 1 April, 2016: 42) equity shares of INR 10 each fully paid up. - Quoted	914	1,609	2,113
	Reliance Infrastructure Ltd. - 3 shares (31 March, 2017: 3, 1 April, 2016: 3) equity shares of INR 10 each fully paid up. - Quoted	1,280	1,705	1,666
	Reliance Capital Ltd. - 2 (31 March, 2017: 2, 1 April, 2016: 2) equity shares of INR 2 each fully paid up. -Quoted	847	1,117	686
	Reliance Power Ltd. - 10 (31 March, 2017: 10, 1 April, 2016: 10) equity shares of INR 10 each fully paid up. -Quoted	362	480	503
(iv)	Investment in Subsidiary Company			
	Designated at Fair Value through Profit and loss			
	Company has given corporate gurantee for loan taken by subsidiary Company)	-	5,399,564	-
	Total	72,579,806	77,460,573	25,932,279
	Aggregate book value of quoted investments	115,724	91,794	11,300
	Aggregate fair value of quoted investments	151,713	115,724	91,794
	Aggregate book value of unquoted investments	70,064,849	76,959,634	29,583,000
	Aggregate fair value of unquoted Investment	72,428,093	77,344,849	25,840,484

Notes Forming Part of Financial Statements...

(Amount in Rs.)

PARTICULARS	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Note 6 Non current Tax Asset (Net)						
Advance Tax (net of provision of previous year)	77,980,259		75,612,309		5,297,025	
TDS Receiveable	914,481		639,487		1,025,806	
Less:- Provision for Income Tax for current year	61,700,000		66,066,000		5,064,547	
Total	17,194,740		10,185,797		1,258,285	
	Current	Non current	Current	Non current	Current	Non current
Note 7 Other Assets						
Capital advances	-	18,437,914	-	3,470,967	-	158,000
Advance to suppliers and others						
Considered Good	-	-	-	-	-	-
Considered doubtful	-	27,990,472	-	28,823,627	-	30,901,018
Less: Allowance for doubtful advance	-	27,990,472	-	28,823,627	-	30,901,018
Others						
Duties and Taxes Paid under protest	-	695,873	-	785,508	-	787,150
Others	-	-	-	338,544	-	338,544
Deferred Rent	3,000,000	2,464,462	3,214,097	5,464,462	4,617,199	8,678,560
Upfront fee	479,574	-	479,573	614,662	1,094,235	754,375
Total	3,479,574	21,598,250	3,693,670	10,674,143	5,711,434	10,716,628
Note 8 INVENTORIES						
(a) Raw materials;	9,793,335		23,544,450		16,671,977	
(b) Finished Goods	1,548,108,983		2,203,882,979		1,497,956,700	
(c) Work in progress	30,117,242		224,458		36,876,598	
(d) Stores and spares;	43,697,428		34,743,530		54,193	
Total	1,631,716,988		2,262,395,417		1,551,559,468	
Note 9 TRADE RECEIVABLES						
- Receiveables outstanding for a period exceeding six months from the date they became due for payment						
- Unsecured						
Considered Good		105,199		142,498		2,679,933
Considered Doubtful	4,798,223		5,517,517		4,163,049	
Less:- Provision for Doubtful Debts	4,798,223	-	5,517,517		4,163,049	
-Other receiveables (Unsecured)						
Considered Good *		223,116,048		165,276,376		263,977,920
Total		223,221,248		165,418,874		266,657,854
Note 10 CASH AND CASH EQUIVALENT						
Balances with Banks,		-				
In current Account	73,678,667		80,552,378		24,566,222	
In EEFC Account	324		324		333	
Cheques draft on Hand	32,220,768		2,644,503		40,151,896	
Cash in hand	744,246		284,680		1,278,686	
			-			
Total	106,644,005		83,481,885		65,997,137	

Notes:
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balance with banks			
- In current accounts	73,678,667	80,552,378	24,566,222
- In EEFC Account	324	324	333
- Deposit with original maturity of less than 3 months	-	-	-
- Cheques, drafts on hand	32,220,768	2,644,503	40,151,896
Cash in hand	744,246	284,680	1,278,686
	106,644,005	83,481,885	65,997,137

(Amount in Rs.)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Note 10A Bank Balance other than cash and cash equivalents Earmarked			
FDR with bank for Bank Gurantee and margin Money	25,866,630	24,371,164	16,573,713
Interest accrued on deposit	4,835,525	3,361,839	2,095,115
FDR with Bank More original maturity more than 12 Months	1,450,000	1,450,000	1,450,000
Mollases storage Fund in SB account	2,406,870	2,125,605	2,302,036
Total	34,559,024	31,308,607	22,420,863
Note 11 OTHER FINANCIAL ASSETS			
(a) Rent Receivable	358,018	357,417	265,188
(b) Interest receivable	2,781,696	501,413	7,358,178
Total	3,139,714	858,830	7,623,366
Note 12 OTHER CURRENT ASSETS			
(a) Cenvat Credit Receiveable	11,790,362	21,128,883	6,534,406
	-	-	-
(b) Security Deposit	2,521,003	2,344,645	4,811,757
Considered doubtful	1,600,000	1,600,000	-
Less: Provision for doubtful	1,600,000	1,600,000	-
(c) Advance to employees	533,918	1,011,072	1,277,295
(d) Advances for supply of goods & services	18,799,561	51,243,006	41,793,147
(e) Prepaid Expenses	5,059,832	4,740,732	4,648,308
(f) Cane Commission / Subsidy receivable	-	-	22,407,503
(g) Others			
Upfront fee	479,574	479,573	1,094,235
Deferred rent	3,000,000	3,214,097	4,617,199
Total	42,184,249	84,162,007	87,183,849

Note 13 Share Capital

AUTHORISED	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Share Capital						
Equity Shares of Rs. 2/- each	100,000,000	200,000,000	100,000,000	200,000,000	100,000,000	200,000,000
Issued capital						
Equity Share Capital						
Equity Shares of Rs. 2/- each	92,000,170	184,000,340	92,000,170	184,000,340	92,000,170	184,000,340
Subscribed and paid up capital						
Equity Share Capital						
Equity Shares of Rs. 2/- each	92,000,170	184,000,340	92,000,170	184,000,340	92,000,170	184,000,340

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

i) Equity share capital	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	92,000,170	184,000,340	92,000,170	184,000,340	92,000,170	184,000,340
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	92,000,170	184,000,340	92,000,170	184,000,340	92,000,170	184,000,340

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

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

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

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

Particulrs	31st March,18		31st March,17		1st April,16	
	No. of Shares held	Percentage of share holding	No. of Shares held	Percentage of share holding	No. of Shares held	Percentage of share holding
Equity shares of INR 2/- each fully paid up						
Mr. L K Jhunjhunwala	5,602,600	6.09	5,602,600	6.09	5,602,600	6.09
Mr. P C Jhunjhunwala	9,764,032	10.61	9,956,100	10.82	9,946,600	10.81
M/s. L K Jhunjhunwala (HUF)	10,065,900	10.94	10,065,900	10.94	10,065,900	10.94
M/s Marvel Business Pvt. Ltd.	12,153,989	13.21	12,022,258	13.07	12,450,951	13.53

(Amount in Rs.)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Note 14 Other Equity			
General Reserve			
Opening balance as on 01.04.16	117,817,538		
Add: change during the year	-		
Closing Balance as on 31.03.17	117,817,538		
Add: change during the year	-		
Closing balance as on 31.03.18	117,817,538		
Initial Depreciation Reserve			
Opening balance as on 1st April,16	172,450		
Add: Change during the year	-		
Closing balance as on 31st March,17	172,450		
Add: change during the year	-		
Closing balance as on 31st March,18	172,450		
Molasses Storage Fund			
Opening balance as on 1st April,16	928,753		
Add : Change during the year	220,731		
Closing balance as on 31st March,17	1,149,484		
Add:Changes during the year	206,568		
Closing balance as on 31st March,18	1,356,051		
Sugar Price Equalisation Reserve			
Opening balance as on 1st April,16	1,239,508		
Add: Change during the year	-		
Closing balance as on 31st March,17	1,239,508		
Change during the year	-		
Closing balance as on 31st March,18	1,239,508		
Securities Premium Account			
Opening balance as on 1st April,16	268,801,428		
Add: change during the year	-		
Closing balance as on 31st March,17	268,801,428		
Add change during the year	-		
Closing balance as on 31st March,18	268,801,428		
Retained Earnings			
Opening balance as on 1st April,16	(287,688,250)		
Add: Change during the year	371,134,937		
Add: Transfer from revalution reserve	274,019		
Closing balance as on 31st March,17	83,720,705		
Add: Profit/ Loss during the year	188,653,146		
Add: Transfer from revalution reserve	232,012		
Closing balance as on 31st March,18	272,605,863		
Comprehensive Income			
Opening balance as on 1st April,16	464,132		
Less : Change during the year	(2,048,200)		
Less Transfer to retained earning	(274,019)		
Closing balance as on 31st March,17	(1,858,087)		
Add: Change during the year	14,920		
Less:Transfer to retained earning	(232,012)		
Closing balance as on 31st March,18	(2,075,179)		
	(2,075,179)		
Total	659,917,659		

(Amount in Rs.)

PARTICULARS	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Note 15 **Long term borrowings Carried at Amortised cost**						
(i) From Banks						
Secured	Current	Non current	Current	Non current	Current	Non current
Rupee Loan						
State Bank of India - SEFASU Loan	32,040,000	5,720,544	32,040,000	32,024,907	26,640,822	52,443,781
Punjab National Bank - SEFASU Loan	21,015,138	-	24,636,000	16,648,804	24,636,000	34,504,062
Punjab National Bank - Soft Loan	15,384,000	-	23,076,000	68,949,335	-	92,300,000
Punjab National Bank	-	38,509,881	17,560,000	9,632,364	14,760,000	27,127,167
Allahabad Bank	472,802	-	48,600,000	27,452,301	40,850,000	76,074,692
Total A	68,911,940	44,230,425	145,912,000	154,707,710	106,886,822	282,449,702
From Entities other than Banks						
Secured						
Sugar Development Fund (SDF) from Govt. of India	27,785,923	54,084,667	40,077,367	101,573,739	148,500,000	-
Total B	27,785,923	54,084,667	40,077,367	101,573,739	148,500,000	-
(ii) From Entities other than Banks						
Unsecured Loan						
Unsecured loan from company	-	201,614,822	-	-	-	-
Unsecured loan from related parties	-	15,400,000	-	13,456,908	-	11,752,758
Total C	-	217,014,822	-	13,456,908	-	11,752,758
TOTAL (A+B+C)	96,697,863	315,329,914	185,989,367	269,738,357	255,386,822	294,202,460

(1) 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. Corpoate guarentee of KM plantation Pvt. Ltd.. Pesonal guarentee of three directors in case of SBI loan and Personal guarentee of two directors in case of PNB.

(2) Rupee Term Loan of Punjab National Bank and Allahabad Bank are secured by third charge on entire fixed assets of the company on pari passu basis. Personal guarentee of two directors and corporate guarentee of KM Plantation Pvt. Ltd.

(3) Rupee Term Loan from SDF are secured by first charge on Company's immovable and movable properties both present and future.

(4) Unsecured loan from related parties represent promoters contribution as per CDR approval.

Term of Repayament *

Name of the banks / entities	Interest Rate %	Amount Outstanding as on 31, March, 2018		1-2 years	2-3 years	3 years and above
		Current	Non Current			
State Bank of India SEFASU loan	0.75	32,040,000	7,890,000	7,890,000	-	-
Punjab National Bank SEFASU loan	0.00	22,575,000	-	-	-	-
PNB Soft loan	12.60	15,384,000	38,509,881	30,768,000	7,741,881	-
Allahabad Bank	11.50	472,802	-	-	-	-
Sugar Development Fund (SDF) from Govt. of India	10.00	27,785,923	56,000,000	56,000,000	-	-
Unsecured loan from company	11.10	-	201,614,822	201,614,822	-	-
Unsecured Loan	0.00	-	15,400,000	15,400,000	-	-
Total		98,257,725	319,414,703	311,672,822	7,741,881	-

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.

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%.

* Subsidised loan taken from banks and government have been amortised using effective interst rate so deviation is noticed between total figure of loan as per repayment schedule and carring amount of loan as per Note No. 15

Note 16 **Non Current Fiancial Liability**			
Corporate Gurantee issued to Subsidiary	-	4,567,437	-
Total	-	4,567,437	-
Note 17 **Non current Libilities**			
Deferred Government Grant (Refer Note 23)	7,264,218	21,612,997	28,494,951
Other payble	1,450,000	2,246,322	2,246,322
Total	8,714,218	23,859,318	30,741,273

(Amount in Rs.)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Note 18 Deferred tax liabilities/Assets			
PARTICULARS			
Deferred Tax Liabilities			
Depreciation	121,432,920	106,401,865	65,869,236
Others	2,697,850	-	-
Deferred Tax Assets			
Carried forward losses	-	-	18,724,223
Expenses allowable for tax purpose when paid	10,499,033	97,324,197	31,729,445
MAT credit entitlement	116,271,177	54,571,177	-
Others	5,986,364	5,986,364	1,058,861
Total	(8,625,805)	(51,479,873)	14,356,707

	Current	Non current	Current	Non current	Current	Non current
Note19 Provision for liabilities						
Provisions for employees benefit						
Unavailed leave	738,661	4,043,281	562,673	4,308,078	237,829	3,264,504
Gratuity Expenses	2,302,337	7,345	3,610,649	2,819,284	1,993,766	301,900
Other Provision including Excise duty	-	45,184,493	-	204,259,676	-	204,259,676
Total	3,040,998	49,235,119	4,173,322	211,387,038	2,231,595	207,826,080

Note20 Short Term borrowing			
Carried at amortised cost			
Loan repayable on demand			
Working capital loans			
From banks			
Secured			
State Bank of India	216,893,342	474,758,671	128,319,105
Punjab National Bank	298,839,582	400,752,837	234,559,114
The Federal Bank Ltd.	58,531,665	79,968,673	485,817
Other Loans and advances			
Unsecured			
From Others	1,040,840	1,040,840	1,040,840
Total	575,305,428	956,521,021	364,404,875

Summary of short term borrowings

Secured borrowings

Nature of Securities

1. 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, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of three Directors, pledge of shares and corporate guarantee of KM Plantation Pvt. Ltd.
2. Working capital loan from Punjab National Bank is secured by pledge of stock of Crystal sugar, second 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 KM Plantation Pvt. Ltd.
3. 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, second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future), personal guarantee of two Directors, pledge of shares and corporate guarantee of KM Plantation Pvt. Ltd.

Note 21 Trade Payables			
(i) Total outstanding dues of Micro enterprises & Small Enterprises	-	200,000	-
(ii) Other than Micro enterprises Small Enterprises (Other than acceptance) *	1,095,651,262	924,674,123	949,895,702
Total	1,095,651,262	924,874,123	949,895,702

** Amount also includes balances payable to related party, For Details Refer Note 35.18*

Notes Forming Part of Financial Statements...

(Amount in Rs.)

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Note 22 **Other Current Finacial Liabilities**			
Current maturities of long term debt*	96,697,863	185,989,367	255,386,822
Interest accrued but not due on borrowings	468,635	58,750,091	27,248,112
Interest accrued and due on borrowings	13,659,569	879,715	18,956,807
Other Payables			
Payable to capital goods supplier	13,167,015	47,349,409	4,840,931
Security Deposit	26,117,138	22,931,153	64,242,389
Salary and other payables to employees	-	18,304,422	10,125,476
Others	-	-	41,412,572
Total	150,110,220	334,204,157	422,213,109
*Refer Note No. 15 for nature of securities and term of repayment respectively			
Note 23 **Other Current libilities**			
Staturory liabilities	25,193,825	158,507,506	109,958,510
Deferred government Grant	6,753,892	6,753,892	6,753,892
Advances from Customers	2,466,840	32,163,566	2,772,707
Others payable	39,854,621	162,976,768	-
Outstanding liability of related party	19,319,497	18,750,565	6,470,096
Total	93,588,676	379,152,297	125,955,205

(Amount in Rs.)

PARTICULARS	31st March 2018	As at April 01, 2016
Note 24 **Sale of goods (Gross)**		
Sugar	3,920,487,382	2,818,249,188
Power	218,316,032	174,948,083
Industrial alcohol	421,064,275	412,468,055
Bagasse sale	131,245,244	123,006,200
Bio compost manure	6,718,663	1,615,905
Revenue from operations (Gross) Total	4,697,831,595	3,530,287,431
Note 25 **Other income**		
Interest income on financial asssets carried at amortised cost		
Non current investment	7,762,808	2,279,702
Security deposit	3,107,048	3,988,263
Fixed deposits with banks	3,717,163	1,689,970
Others	1,114,082	102,160
Government Grant (Ind AS)	14,348,779	12,930,140
Other Income	-	832,126
Other non operating Income		
Net gain on foreign currency transactions and translations	-	522,974
Insurance claims	901,827	158,350
Profit on sale of fixed assets	-	13,419,135
Provision of Tax of earlier year	2,265,414	-
Unspent liabilities/balances written back	294,484,242	-
Carbon credit/REC receipt	29,893,966	24,286,587
Miscellaneous income	8,499,373	7,196,713
Production subsidy receipt	-	30,722,563
Purchase Tax refund	-	8,567,790
Provision for doubtful debts reversal	1,552,449	-
Total	367,647,150	106,696,474
Note26 **Cost of materials consumed**		
Sugar cane	3,366,734,615	2,809,303,666
Molasses	25,570,082	22,334,267
Interest on delayed cane payment	-	121,352,524
Total	3,392,304,698	2,952,990,457

(Amount in Rs.)

PARTICULARS	31st March 2018	As at April 01, 2016
Note 27 **Purchases of stock-in-trade**		
Sugar	37,219,000	122,768,100
Other	1,637,420	-
Total	38,856,420	122,768,100
Note 28 **Changes in inventories of finished goods, by-products and work-in-progress**		
Finished goods		
Opening stock		
Sugar	2,025,526,226	1,343,348,274
Molasses	113,109,450	96,185,325
Bagasse	10,314,378	5,913,584
Industrial alcohol	74,537,869	60,760,180
Banked Power	3,682,457	-
Pressmud	257,049	6,310,339
Biocompost manure	-	164,798
Total (a)	2,227,427,429	1,512,682,500
Less : Closing stock		-
Sugar	1,434,826,415	2,025,526,226
Molasses	36,177,100	113,109,450
Bagasse	33,150,839	10,314,378
Industrial alcohol	47,518,634	74,537,869
Banked Power	4,055,295	3,682,457
Pressmud	-	257,049
Total (b)	1,555,728,283	2,227,427,429
Total (a-b)	671,699,146	(714,744,929)
Work-in-progress		-
Opening stock	224,458	54,193
Less : Closing stock	30,117,242	224,458
	(29,892,784)	(170,265)
Increase / Decrese in Inventories	641,806,362	(714,915,194)
Less: Difference of Excise Duty on opening and closing Stock	(136,236,237)	30,428,451
		-
Total	505,570,125	(684,486,743)
Note 29 Excise duty Expenses	70,099,575	168,433,987
	70,099,575	168,433,987
Note 30 Employee benefits expense		
Salary, wages and bonus	103,726,022	99,842,623
Contribution to Provident Fund and other Funds	9,414,270	10,020,302
Workmen and Staff Welfare Expenses	2,387,539	2,680,640
Gratuity Expenses	2,309,682	6,429,953
Total	117,837,513	118,973,518
Note 31 **Finance cost**		
Interest expense		
Cash Credit	44,331,619	24,777,804
Term loan	46,001,912	59,537,473
Others	16,900,236	777,520
Other borrowing cost	4,875,314	12,226,325
Total	112,109,080	97,319,121
Note 32 **Deprecition and amortisation**		
Depreciation of Property, Plant & Equipment	128,109,777	91,098,158
Amortisation of Intangible Assets	241,468	138,532
Depreciation due to obsolesence	6,117,581	6,117,581
Total	134,468,827	97,354,271

(Amount in Rs.)

PARTICULARS	31st March 2018	As at April 01, 2016
Note 33 **Other Expenses**		
Consumption of stores and spare parts	38,809,946	34,006,535
Packing materials	29,566,882	26,586,867
Power and fuel	31,521,322	24,808,320
Rent	22,076,213	23,558,301
Repairs		
Buildings	11,032,627	15,225,519
Machinery	107,162,073	105,429,129
Others	12,313,182	10,643,155
Insurance	4,944,575	3,967,482
Rates and taxes (excluding taxes on income)	7,635,586	6,238,320
Selling Expenses :		
Commission to Selling Agents	10,745,431	8,159,685
Other Selling Expenses	27,979,973	15,410,380
Payments to auditor	-	-
Statutory audit fee	400,000	400,000
Tax audit fee	100,000	100,000
Reimbursement of expenses	-	33,147
Charity and donation	97,450	74,375
Printing and stationary	1,403,622	1,421,449
Communication expenses	2,159,134	1,929,711
Travelling Expenses	29,151,390	25,742,547
Consultancy and legal expenses	16,573,651	10,079,780
Director sitting fee	185,000	133,000
Director remuneration	10,800,000	31,800,000
Miscellaneous expenses	29,299,199	29,205,555
CSR Expenditure	3,200,000	2,110,000
Loss on sale/discard of Property Plant and Equipment	19,003	189,669
Transfer to storage fund for molasses	206,568	220,731
Provision for doubtful debts and advances	-	877,077
Balances written off	3,644,375	12,827,897
Total	401,027,200	391,178,628

Note 34 :Tax Reconcilition

Income tax expense:
The major components of income tax expenses for the year ended March 31, 2018 and March 31, 2017 are as follows:

(i) Profit or loss section

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense	61,700,000	66,066,000
Mat Credit entitlement	(61,700,000)	(54,571,177)
Deferred tax expense	104,554,069	(11,265,403)
Total income tax expense recognised in statement of Profit & Loss	104,554,069	229,420

(ii) OCI Section

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net (gain) / loss on remeasurement of defined benefit plans	19,163	3,160,339
Unrealised (gain)/loss on FVTOCI equity securities	(35,989)	(23,930)
Income tax charged to OCI	1,906	(1,088,209)
Total	(14,920)	2,048,200

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017

	31-Mar-18	31-Mar-17
Accounting profit before tax from continuing operations	293,205,309	372,452,565
Accounting profit before tax from discontinuing operations	-	-
Accounting profit before income tax	293,205,309	372,452,565
At India's statutory income tax rate of 21.3416%	62,574,704	79,487,337
Adjustments in respect of current income tax of previous years	-	
Non-deductible expenses for tax purposes:	(4,098,537)	(62,888,008)
Other non-deductible expenses	-	-
	289,106,772	309,564,557
At the effective income tax rate of 21.3416%	61,700,000	66,066,000
Income tax expense reported in the statement of profit and loss	61,700,000	66,066,000

	As at 1-Apr-16	Provided during the Year	As at 31-Mar-17	Provided during the Year	As at 31-Mar-18
Deferred tax liability:					
Related to Fixed Assets (Depreciation)	65,869,236	40,532,629	106,401,865	15,031,055	121,432,920
Revaluations of FVTOCI investments to fair value	17,743	5,521	23,264	8,303	31,567
Ind AS effect related to Financial Asset / Liability (Net)	-	-	-		
Total deferred tax liability (A)	65,886,979	40,538,150	106,425,129	15,039,358	121,464,487
Deferred tax asets:					
Carry forward Business Loss / Unabsorbed Depreciation	18,724,223	(18,724,223)	-	-	-
MAT Recoverable	-	54,571,177	54,571,177	61,700,000	116,271,177
43B Disallowances etc.	31,729,445	65,594,752	97,324,197	(86,825,164)	10,499,033
Other Ind AS adjustments related to Financial Asset / Liabilities (Net)	1,076,604	4,933,024	6,009,628	(2,689,547)	3,320,082
Revaluations of FVTOCI Investments to fair value				-	-
Total deferred tax assets (B)	51,530,272	106,374,730	157,905,002	(27,814,711)	130,090,292
Deferred Tax Liability / (Asset) (Net) (A - B)	14,356,707	(65,836,580)	(51,479,873)	42,854,069	(8,625,805)

The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Financial Statements for the year ended 31st March 2018

35. Explanation of transition to Ind AS

These financial statements, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. Accordingly, the Company has prepared financial statements which comply with IndAS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31stMarch, 2017, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, i.e. the date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended 31st March, 2017. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

(a) The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemedcost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, Property, plant and equipment were stated at their original cost(net of accumulated depreciation, amortization and impairment), if any, adjusted by revaluation of certain assets.

(b) The Company has elected to continue with the carrying value of Capital work in progress as recognized under the previous GAAP asdeemed cost as at the transition date.

(c) The Company has elected to continue with the carrying value for intangible assets (computer software) as recognized under theprevious GAAP as deemed cost as at the transition date. Under the previous GAAP, Computer Software was stated at its original cost, netof accumulated amortization.

(d) Appendix C to IndAS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with IndAS17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

(e) The Company has elected to apply previous GAAP carrying amount of its investment in its subsidiary as deemed cost as at the date oftransition.Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes inthe fairvalue of an investment in an equity instrument in other comprehensive income. Ind AS101 allows such designation of previouslyrecognized financial assets, as 'FVTOCI' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensiveincome on the basis of the facts and circumstances that existed as at the date of transition to Ind AS.

(f) The estimates as at 1st April, 2016 and as at 31st March 2017 are consistent with those made for the same dates in accordance withIndian GAAP (after adjustments to reflect any differences in accounting policies).

(g) The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreigncurrency risks and interest rate risks respectively.Under the previous GAAP, there is no mandatory standard that deals with hedge accounting, which has resulted in the adoption ofvarying practices. The Company has not applied for hedge accounting on or after the transition date.

(h) Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after thedate of transition.Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previousGAAP as a result of a transaction that occurred before the date of transition.

(i) The Company has applied the requirements in Ind AS 109 and Ind AS 20 retrospectively to government loans existing as at the date oftransition to Ind AS.

35.1.Financial risk management objectives and policies

The Company's principal financial liabilities include Borrowings, Trade payable and Other financial

liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and Other financial assets that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk.TheCompany's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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

Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.Financial implication will not adversely affect the businesses as the management has established a periodical review procedure to consider the changes taken place in market.

(ii) Foreign currency risk

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

(iii) Regulatory risk

Sugar industry is regulated both by central government as well as state government. Central and state governments policies and regulations affect the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy. However, with the removal of major regulatory control on sugar sales by the Central Government, the regulatory risk are moderated.

(iv) Commodity price risk

Sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk by wellintegrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. Credit risk Credit risk is the risk that counterparty will not meet its Obligationsunder a financial instrument or customer contract, leading to a financial loss. The company's sugar sales are mostly on cash. Power and ethanol are sold to state government entities; thereby the credit default risk is significantly mitigated.

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

(v) Trade receivables

Trade receivables are non-interest bearing and are generally on cash basis.An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a largenumber of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximumexposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under.

(vi) Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers.

The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. The company is maintaining cash credit limit to a reasonable level to meet out the current obligation.

35.2. Earnings per Share

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

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

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars		
Profit attributable to equity holders of the Company:	31st March,18	31st March,17
Profit attributable to equity holders for basic earnings	18,86,53,146	37,11,34,937
Profit attributable to equity holders adjusted for dilution effect	18,86,53,146	37,11,34,937
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	9,20,00,170	9,20,00,170
Earnings Per Share (Basic & Diluted)	2.05	4.03

35.3. 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 year
Employers' contribution to provident fund (Rs.)	94,14,270	1,00,20,302

35.4. Defined benefits plans

Long term employee benefits in the form of gratuity and leave encashment are considered asdefinedbenefit 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. 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.

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

Description	Gratuity Current Year	Gratuity Previous Year	Leave Encashment Current Year	Leave Encashment Previous Year
Discount rate (per annum)	7.75%	7.50%	7.75%	7.50%
Future salary increases	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	7.75%	7.50%	0%	0%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
I. Expenses recognized in the statement of profit and loss				
Current service cost	22,39,987	22,42,420	8,55,719	7,49,732
Interest cost	21,06,552	18,05,318	3,77,483	2,62,675
Past service cost	9,79,641	-	-	-
Expected return on plan assets	(16,08,231)	(15,06,590)	-	-
Net expenses recognized	37,17,949	25,41,147	12,33,202	10,12,407
II. Other comprehensive (income)/expense (Re-measurement)				
Accumulated gain/loss opening balance	21,39,832	(61,615)	27,31,019	11,54,169
Actuarial (gain)/loss – obligation	(15,64,316)	28,60,181	15,83,749	15,76,860
Actuarial (gain)/loss – plan assets	1,56,029	(4,58,734)	-	-
Total Actuarial (gain)/loss excluding opening	(14,08,287)	22,01,447	15,83,749	15,76,860
Actuarial (gain)/loss at the end of the period	7,31,545	21,39,832	43,14,508	27,31,029
II. Net liability/(assets) recognized in the balance sheet as at 31st March, 2017				
Present value of obligation at the end of period	2,68,37,872	2,71,81,321	47,81,942	48,70,751
Fair value of the plan asset at the end of period	2,45,28,190	2,07,51,368	-	-
Funded status [(surplus/(deficit)]	(23,09,682)	(64,29,953)	(47,81,942)	(48,70,751)
Net (asset)/liability as at 31st March, 2018	2,68,37,872	2,71,81,321	47,81,942	48,70,751
III. Change in present value of obligation during the year				
Present value of obligation at the beginning of year	2,71,81,321	2,40,70,913	48,70,751	35.02.333
Current service cost	22,39,987	22,42,420	8,55.719	7.49.732
Interest cost	21,06,552	18,05,318	3,77,483	2,62.675
Past service cost	9,79,641	-	-	-
Benefits paid	(41,05,313)	(35,97,511)	(29,05,490)	(12.20.849)
Actuarial loss/ (gain)	(15,64,316)	26,60,181	15.83,479	15.76.860
Present value of obligation at the year end	2,68,37,872	2,71,81,321	47,81,942	48.70.751
IV. Change in present value of fair value of plan assets				
Fair value of plan assets as at the beginning of period	2,07,51,368	2,00,87,869	-	-
Return on plan assets	14,52,202	19,65,324	-	-
Contributions	64,29,933	22,95,686	-	-
Benefits paid	(41,05,313)	(35,97,511)	-	-
Fair value of plan assets at the year end	2,45,28,190	2,07,51,368	-	-
Details of plan asset	Gratuity Trust	Gratuity Trust	N/A	N/A

Actuarial Assumption

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Current Year	Previous Period	Current Year	Previous Period
Discount rate (per annum)	7.50%	8.00%	7.50%	8.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	7.50%	8.50%	0%	0%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

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

(Gratuity)

Period	As on: 3/31/2018
Defined Benefit Obligation (Base)	2,68,37,872 @ Salary Increase Rate : 5%, and discount rate :7.75%
Liability with x% increase in Discount Rate	2,51,72,934; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	2,87,19,262; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	2,87,52,585; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	2,51,17,083; x=1.00% [Change (6)%]
Liability with x% increase in Withdrawal Rate	2,71,05,978; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	2,66,21,914; x=1.00% [Change (1)%]

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

(Leave Encashment)

Period	As on: 3/31/2018
Defined Benefit Obligation (Base)	47,81,942
Liability with x% increase in Discount Rate	44,57,004; x=1.00% [Change (7)%]
Liability with x% decrease in Discount Rate	51,57,398; x=1.00% [Change 8%]
Liability with x% increase in Salary Growth Rate	51,64,064; x=1.00% [Change 8%]
Liability with x% decrease in Salary Growth Rate	44,46,235; x=1.00% [Change (7)%]
Liability with x% increase in Withdrawal Rate	48,57,211; x=1.00% [Change 2%]
Liability with x% decrease in Withdrawal Rate	47,14,705; x=1.00% [Change (1)%]

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

Contingent liabilities: (Rs. in Lakhs)

Particulars	31st March,18	31st March,17	1st April,16
(i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under labour laws	167.46	157.72	161.60
(ii)Claims against the company not acknowledged as debts in respect of criminal and Civil Cases	34.74	34.54	33.71
(iii)Bank guarantees given to the Central Government, Excise Department, Commissioner Excise & Commercial Tax Department of Bihar and Oil Manufacturing companies	599.33	570.88	587.11,
Corporate Guarantee given by the company Rs.2433.16 lakhs amounting to Punjab National Bank for loan taken by K.M Energy Pvt.Ltd. amounting Rs.2290.16 lakhs andoutstanding balance of Term loan as on 31.03.2018 is Rs.1523.78 lakhs.	2,433.16	2433.16	2433.16
(iv)As per the amended provision of the Bonus Act, differential amount of bonus liability	16.93	16.93	16.93
(v)Disputed sales tax, income tax and excise duty cases under appeal	21,697.85	3,198,2.03	33181.82
(vi) Claim against waiver of interest on delayed cane payment to farmers for the sugar seasons 2012-13 to 2016-17	1213.53	-	-

Description			
Central Excise Act	-	3,827.93	1,879.14
Sales Tax/Trade Tax/Entry Tax*	112.10	120.39	13.40
Income Tax	21,585.75	28,033.71	31,301.34
TOTAL	21,697.85	31,982.03	33,181.82

* Amount after deducting Rs. 4.09 lakhs(As on 31st March 2017 Rs.2.06 lakhs and as on 1st April 2016 Rs. 3.59Lakhs) paid under protest.

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.

35.6. Commitments:

(Rs.In lakhs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	750.05	452.77	-
Advances paid against above	155.73	34.63	-
TOTAL	594.32	418.14	

35.7. Other Current Assets shown under Notes 12.7 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.

35.8. In view of the decision of Hon'ble Supreme Court, extra priceand excise duty realized on levy sugar in earlier years amounting to Rs.67.11 lakhs for funding under the Sugar PriceEqualization Fund Act, 1976 was transferred to Sugar Price Equalization Reserve Account. Later on as per the order dated 22.09.1993 of Hon'ble Supreme Court, a sum of Rs.17.90 lakhs was paid to the Government out of bank guarantee furnished by the Company and further, during the year 1998-99 a sum of Rs.1.00 lakhswere paid towards Excise Duty on the above. The company has further made a payment of Rs.35.81 lakhs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lakhs thereon. Still a sum of Rs.12.40 lakhs is lying in the Sugar Price Equalization Reserve as on 31.03.18 shown under Note 14 of "Reserve & Surplus".

35.9. Certain balances in account of Trade receivables, advances, deposit account, and Trade payable are subject to reconciliation and confirmation by the respective parties. The management carries out review of these advances from time to time from realization point of view and based on the same, the required provisions have been considered in the accounts. The management is of the view that the realization from these assets in the ordinary course of business would not be less than the amount at which they are stated in the books of account.

35.10. Long term liabilities (Note No17) includes a loan from U.P. Government amounting to Rs.14.50 lakhs. The issue relating to interest payable thereon is under dispute and the matter is sub-judice before the Hon'ble Allahabad High Court. However, as per the interim order of the Court, a fixed deposit of Rs.14.50 lakhshave 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.

35.11. Since, the sugar industry is a seasonal industry; the cost of production of sugar is worked out on annualized basis considering prime cost, factory overhead and administrative overhead closely related to manufacturing of output.

35.12. The company has disposed off entire equity shareholding during the year held in a subsidiary company K M Energy Pvt. Ltd.

35.13. State Government had issued orders for waiver of interest on delayed cane payment to farmers for the sugar seasons 2012-13 to 2014-15. The Hon'ble High Court of Allahabad, Lucknow Bench vide order dated 09.03.2017 in PIL No.67617 of 2014 connecting with other PIL and cases has quashed the waiver of interest for these years and remanded to Cane Commissioner for consideration of interest payment to farmers within four months on account of delayed cane payment. In view of the court order, provision for interest amounting to Rs.1213.53 lakhs on delayed cane payment as per demand raised by cane societies was provided during the financial year 2016-17 for the sugar seasons 2012-13 to 2016-17. Cane Commissioner has not taken any action in this regard and not decided the matter within the prescribed time limit. Moreover, the liability is not ascertainable in view of further development and in view of an expert's opinion sought by the company in this regard. Thus, the liability provided of Rs.1213.53 lakhs in previous year has been reversed during the year.

35.14. As per Bihar State Government directions, the operation of country liquor bottling unit in Bihar remain discontinued during the year. Depreciation due to obsolescence has been provided on fixed assets amounting to Rs.61.17 lakhs (Previous year – Rs.61.17 lakhs) in current year. The carrying amount of assets amounting to Rs. 505.14 lakhs(Previous year – Rs.561.92 lakhs)and liabilities amounting to Rs.829.27 lakhs(Previous year –Rs.1175.05 lakhs)stand in the books as on 31.03.18 and further, revenue of Rs.12.31 lakhs(Previous year –Rs.19.19 lakhs)(Interest) earned against which a sum of Rs.2.92 lakhs(Previous year – Rs.82.85 lakhs) expended.

35.15. The company had set up a cogeneration power plant of 25 MW at factory premises in the financial year 2006-07 and is continuously operating since then. This power generation plant qualifies under Section 80IA of the Income Tax Act, 1961 for deduction of its entire profits from such business for 10 consecutive years out of 15 years. The company has availed the option to treat the financial year 2011-12

as the first year of deduction but it could not claim any deduction till now due to brought forwarded losses. Now, the company intends to claim deduction from this year onwards in view of set off of all brought forwarded losses.

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

S.No.	Particulars	31-Mar-18	31-Mar-17	1-Apr-16
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-	-
-	Principal amount due to micro and small enterprises		2,00,000	-
-	Interest due on above	-	-	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

35.17. Related Party Disclosures: -

Pursuant to compliance of Indian Accounting Standard (Ind AS 24) 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
- A K Mishra - Independent Director
- H P Singhania - Independent Director
- Madhu Mathur - Independent Director
- R S Shukla - Independent Director
- S K Gupta - Independent Director

ii. Relatives of Key Management Personnel (Group B)

- Shri P. C. Jhunjhunwala
- L. K. Jhunjhunwala (HUF)
- A. K. Jhunjhunwala (HUF)
- S. K. Jhunjhunwala (HUF)
- Smt. Naina Jhunjhunwala (Wife of Shri L.K. Jhunjhunwala)
- Smt. Priti Jhunjhunwala (Wife of Shri Aditya Jhunjhunwala)
- Smt. Priti Jhunjhunwala (Wife of Shri Sanjay Jhunjhunwala)
- Shri Vatsal Jhunjhunwala (Son of Shri 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
- Palak Jhunjhunwala Trust
- Shri Laxmi Public Charitable Trust

a) Transactions with the related parties:(Rs in Lakhs)

Sl no.	Nature of transaction/ Name of the related party	Subsidiary 2017-18 (2016-17) (2015-16)	Key Managerial Personnel (KMP) 2017-18 (2016-17) (2015-16)	Enterprises over which KMP and their relatives have substantial interest/ significant influence 2017-18 (2016-17) (2015-16)	Total 2017-18 (2016-17) (2015-16)
i.	Investment made				
	K M Energy Pvt. Ltd.	- (126.19)(285)	- (-)(-)	- (-)(-)	- (126.19)(285)
ii.	Interest received from Loan (K.M Energy Pvt. Ltd.	-(-)(28.50)	-(-)(-)	-(-)(-)	-(-)(28.50)
iii.	Investment in equity sold				
	Promissing Logistics (P) Ltd.	- (-)(-)	- (-)(-)	73.00 (-)(-)	73.00 (-)(-)
iv.	Corporate Guarantee for a term loan given to a bank				
	K M Energy Pvt. Ltd.	- (2433.00)(-)	- (-)(-)	- (-)(-)	- (2433.00)(-)
v.	Remuneration including PF*				
	Shri L K Jhunjhunwala	- (-)(-)	42.34(111.57)(40.32)	- (-)(-)	42.34(111.57) (40.32)
	Shri Aditya Jhunjhunwala	- (-)(-)	29.03 (97.25)(20.45)	- (-)(-)	29.03 (97.25)(20.45)
	Shri Sanjay Jhunjhunwala28.02	- (-)(-)	28.02 (97.48)(20.29)	- (-)(-)	28.01 (97.48) (20.29)
	Shri S. C. Agarwal	- (-)(-)	29.62 (28.40)(18.37)	- (-)(-)	29.62 (28.40) (18.37)
	Shri Rajeev Kumar	- (-)(-)	12.08 (10.29)(9.50)	- (-)(-)	12.08 (10.29) (9.50)
	Shri Arvind Kumar Gupta	- (-)(-)	15.00 (13.23)(12.30)	- (-)(-)	15.00 (13.23)(12.30)
	Shri VatsalJhunjhunwala	- (-)(-)	- (-)(-)	1.12 (-)(-)	1.12 (-)(-)
vi.	Education fee paid				
	Shri VatsalJhunjhunwala	- (-)(-)	-(-)(-)	48.21 (-)(-)	48.21 (-)(-)
vii.	Sugar sold				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	2661.75 (-) (4557.00)	2661.75 (-) (4557.00)
viii.	Sugar purchase				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	390.80 (-)(-)	390.80 (-) (-)
ix.	Rent paid				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	5.40(5.40)(5.40)	5.40 (5.40)(5.40)
	Zar International Pvt. Ltd.	- (-)(-)	- (-)(-)	1.14(1.14)(1.14)	1.14 (1.14(1.14))
	Marvel Business Pvt.Ltd.	- (-)(-)	- (-)(-)	7.20 (7.20)(-)	7.20 (7.20)(-)
x.	Rent received				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	0.93 (-)(-)	0.93 (-)(-)
xi.	Advance given / Repaid				
	K M Energy Pvt. Ltd.	- (52.07)(-)	- (-)(-)	- (-)(-)	- (52.07)(-)
	Arvind Kumar Gupta	-(-)(-)	-(-)(5.00)	-(-)(-)	-(-)(5)
	Shailja Properties P Limited			-(-)(.21)	-(-)(0.21)
xii.	Advance received back				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	- (369.24)(-)	- (369.24)(-)
	K M Energy Pvt. Ltd.	- (49.48)(-)	- (-)(-)	- (-)(-)	- (49.48)(-)
xiii.	Loans taken				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	135.00 (-)(-)	135.00 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	160.00 (-)(-)	160.00 (-)(-)
	K M Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	20.00 (-)(-)	20.00 (-)(-)
	Francoise Commerce Pvt. Ltd.	- (-)(-)	- (-)(-)	55.00 (-)(-)	55.00 (-)(-)
	Nidhi Financial Services P Ltd.	- (-)(-)	- (-)(-)	30.00 (-)(-)	30.00 (-)(-)
xiv.	Loans repaid				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	135.00 (-)(-)	135.00 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	160.00 (-)(-)	160.00 (-)(-)
	K M Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	20.00 (-)(-)	20.00 (-)(-)
	Francoise Commerce Pvt. Ltd.	- (-)(-)	- (-)(-)	55.00 (-)(-)	55.00 (-)(-)
	Nidhi Financial Services P Ltd.	- (-)(-)	- (-)(-)	30.00 (-)(-)	30.00 (-)(-)

xv..	Interest on loans paid				
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	6.98 (-)(-)	6.98 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	6.28 (-)(-)	6.28 (-)(-)
	K M Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	1.18 (-)(-)	1.18 (-)(-)
	Francoise Commerce Pvt. Ltd.	- (-)(-)	- (-)(-)	3.17 (-)(-)	3.17 (-)(-)
	Nidhi Financial Services P Ltd.	- (-)(-)	- (-)(-)	1.33 (-)(-)	1.33 (-)(-)
xvi.	Security amount paid				
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	- (9.00)(-)	- (9.00)(-)
xvii.	Security amount received back				
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	- (9.00)(-)	- (9.00)(-)
xvii	Sitting fess paid				
	Shri A K Mishra	- (-)(-)	0.00(0.00)(0.05)	- (-)(-)	0.00(0.00)(0.05)
	Shri H P Singhania	- (-)(-)	0.54 (0.22)(3.30)	- (-)(-)	0.54 (0.22)(3.30)
	Shri Madhu Mathur	- (-)(-)	0.15 (0.15)(2.00)	- (-)(-)	0.15 (0.15)(2.00)
	Shri R S Shukla	- (-)(-)	0.54 (0.44)(3.30)	- (-)(-)	0.54 (0.44)(3.30)
	Shri S K Gupta	- (-)(-)	0.62 (0.52)(5.20)	- (-)(-)	0.62 (0.52)(5.20)
xviii.	Balance outstanding				
	a. Loans payable				
	Shri L K Jhunjhunwala	- (-)(-)	31.00 (31.00)(31.00)	- (-)(-)	31.00 (31.00)(31.00)
	Shri Aditya Jhunjhunwala	- (-)(-)	61.50 (61.50)(61.50)	- (-)(-)	61.50 (61.50)(61.50)
	Shri Sanjay Jhunjhunwala	- (-)(-)	61.50 (61.50)(61.50)	- (-)(-)	61.50 (61.50)(61.50)
	d. Amount payable				
	Shri L K Jhunjhunwala	- (-)(-)	7.78 (48.10)(13.28)	- (-)(-)	7.78 (48.10) (13.28)
	Shri Aditya Jhunjhunwala	- (-)(-)	65.00 (67.28)(20.60)	- (-)(-)	65.00 (67.28)(20.60)
	Shri Sanjay Jhunjhunwala	- (-)(-)	69.83 (69.15)(23.72)	- (-)(-)	69.83(69.15) (23.72)
	Shri S. C. Agarwal	- (-)(-)	1.46 (0.75)(1.49)	- (-)(-)	1.46 (0.75)(1.49)
	Shri VatsalJhunjhunwala	- (-)(-)	-0.54 (-)(-)	- (-)(-)	0.54 (-)(-)
	Sri Shakti Credits Ltd.	- (-)(-)	- (-)(-)	2.74 (-)(-)	2.74 (-)(-)
	Marvel Business Pvt. Ltd.	- (-)(-)	- (-)(-)	6.27 (-)(-)	6.27 (-)(-)
	Zar International Pvt Ltd.	- (-)(-)	- (-)(-)	1.14 (-)(-)	1.14 (-)(-)
	e.Interest receivable (K.M. Energy P Limited)	(-)(-)(28.60)	-(-)(-)	-(-)(-)	-(-)(28.60)
	f. Loan amount outstanding for Corporate Guarantee given to a bank				
	K M Energy Pvt. Ltd.	-(2290.16)(-)	- (-)(-)	- (-)(-)	-(2290.16)(-)
	g. Guarantee given for Bank loan taken by company				
	KM Plantation Pvt Ltd.	- (-)(-)	- (-)(-)	6911.36 (12699.31) (7822.64)	6911.36 (12699.31) (7822.64)

*Directors Remuneration (Rs. in Lacs)

S. No.	Particulars	Chairman	Managing Director and Joint Managing Director	Executive Director	TOTAL
1	Salary	36.00 (36.00)	48.00(48.00)	24.00(24.00)	120.00(120.00)
2	Commission	- (70.00)	-(1,40.00)	-(-)	-(210.00)
3	Contribution to Provident Fund	4.32 (4.32)	5.76(4.92)	2.88(1.32)	12.96(10.56)
4	Perquisites:				
	(i) Residence	-			
	-Furnished (Previous Year)	-	-	-	-
	(ii) Residence				
	-Unfurnished (Previous Year)	-	-	1·81(1·83)	1·81(1·83)
	(iii)Medical Reimbursement	0.84 (0.08)	1.71 (0.23)	0.30(0.60)	2.85(0.91)
	(iv) Other benefits	1.18(1.18)	1.58 (1.58)	0.64(0.64)	3.40(3.40)
	Total	42.34(1,11.57)	57.05 (1,94.73)	29.627(28.34)	129.01(334.64)

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

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

ii. 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.

35.18. Segment Reporting: Information on the Segment Reporting for the year ended 31.03.2018 :

The company has identified three primary business segments viz. Sugar, Distillery and Power. Segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organizational structure and internal business reposting system as defined in Ind As 108 – operating segments.

Particulars	Sugar		Distillery		Co-generation		Others		Total	
	2,018	2,017	2,018	2,017	2,018	2,017	2,018	2,017	2,018	2,017
Revenue										
Gross sales	46,051	35,175	4,225	4,141	5,489	4,684	-	-	55,765	43,999
Less: Inter segment sales	5,481	5,762			3,306	2,934			8,787	8,697
External sales	40,570	29,413	4,225	4,141	2,183	1,749	-	-	46,978	35,303
Add: Other income	1,994	737	1,373	78	323	252	8	-	3,698	1,067
Total revenue	42,564	30,150	5,598	4,219	2,506	2,001	8	-	50,676	36,370
Segment results	1,051	3,341	2,390	796	616	561	(4)		4,053	4,698
Less: Finance cost	841	628	27	14	254	332			1,121	973
Profit before tax	210	2,713	2,364	782	362	229	(4)	-	2,932	3,725
Current tax									617	661
Deferred tax									429	(647)
Profit after tax									1,887	3,711
Other information										
Segment assets	22,278	28,333	5,134	5,385	3,798	3,577	-	12	31,210	37,306
Segment liabilities	18,156	22,692	484	3,449	9	49	-	8	18,649	26,198
Capital Expenditure	443	1,069	781	2,495		793	-	-	1,225	4,357
Depreciation and amortisation	703	650	405	153	236	170	-	-	1,344	973

*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. The inter division transfer of electricity is being accounted for at tariff rate applicable to the company for purchase of electricity from UPPCL during the year. Common costs are apportioned on a reasonable basis.

Information about Secondary Geographical Segment: There is no secondary segment.

35.19. The Central Government pursuant to Notification No. 1(5)/2018-S.P. –I dated 9th May, 2018 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified a scheme for assistance to sugar mills against sugar cane crashed during sugar season 2017-18 subject to fulfilment of various terms and conditions and export of sugar as per guidelines of Minimum Indicative Export quotas (MIEQ) under tradable export allotted vide Notification No. 1(4) 2018-SP-I dated 9thMay, 2018. No impact of this notification is considered in these financial statements as the assistance receivable under the notification is subject to fulfilment of certain terms and conditions and export of sugar under export quota.

35.20. Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in Rs.)

Description	Carrying value			Fair value		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Financial assets						
FVOCI financial instruments:						
Unquoted equity shares	3,22,870	76,02,870	83,10,000	3,22,870	76,02,870	76,02,870
Quoted equity Shares	1,15,724	91,794	11,300	1,51,713	1,15,724	91,794
Other Investment						
Investment in Preference Share s	6,43,42,415	6,93,56,764	2,12,73,000	7,21,05,223	6,43,42,415	1,82,37,614
Investment In subsidiary Guarantee	-	53,99,564	-	-	53,99,564	-
Loan given to parties						
Loan (Security Deposit)	2,90,16,547	2,97,35,689	5,54,91,994	3,21,23,594	3,37,23,952	4,21,65,239
Total	9,37,97,556	11,21 ,86,681	8,50,86,294	10,47,03,400	11,11,84,525	6,80,97,51 7

Description	Carrying value			Fair Value		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Financial liabilities						
Loan taken from Government and Other						
Fixed rate borrowings	-	-	-	-	-	-
Floating rate borrowings	39,69,71,785	44,32,17,968	58,27,99,681	41,20,27,776	45,57,27,724	54,95,89,282
Total	39,69,71,785	44,32,17,968	58,27,99,681	41,20,27,776	45,57,27,72 4	54,95,89,282

Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

			Fair value measurement using		
Description	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial instruments:					
Unquoted equity shares	31-Mar-18		-	-	Yes
Quoted Equity Shares	31-Mar-18		Yes	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017:

Fair value measurement using

Description	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial instruments:					
Unquoted equity shares	31-Mar-17		-	-	Yes
Quoted Equity Shares	31-Mar-17		Yes	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2016:

Fair value measurement using

Description	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial instruments:					
Unquoted equity shares	01-Apr-16		-	-	-Yes
Quoted Equity Shares	01-Apr-16		Yes	-	-

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018, 31 March 2017 and 1 April 2016 are as shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	FVTOCI assets in unquoted equity shares	Net asset Value Method	Net asset value	-	-

35.21. Imported and Indigenous Raw Materials, Packing Materials and stores and spares consumed

(Rs. In lakhs)

Description	31st March,18		31st March,17	
	% of Total consumption	Rs.	% of Total consumption	Rs.
Raw Materials				
Imported	-	-	-	-
Indigenous	100%	33,923.05	100%	29529.90
Stores and packing material				
Imported	-	-	-	-
Indigenous	100%	683.77	100.00%	605.93

35.22. Expenditure in foreign currency on account of:

(Rs. In Lakhs)

Description	March 31, 2018	March 31, 2017
- Travelling	54.95	39.04
-Others	51.79	2.95

35.23. Capital Management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017:

Capital Management (In Rs.)

Description	31 March 2018	31 March 2017	At 1 April 2016
Borrowings	98,73,33,205	1,41,22,48,745	91,39,94,157
Other Liabilities	20,79,91,367	77,13,54,203	53,35,80,440
Trade and other payables	1,09,56,51,262	92,48,74,123	94,98,95,701
Less: Cash and short-term deposits	10,66,44,005	8,34,81,885	6,59,97,137
Net debts	2,18,43,31,830	3,02,49,95,186	2,33,14,73,161
Equity	18,40,00,340	18,40,00,340	18,40,00,340
Other Equity	65,99,17,659	47,10,43,026	10,17,35,559
Total Capital	84,39,17,999	65,50,43,366	28,57,35,899
Capital and net debt	3,02,82,49,829	3,68,00,38,552	2,61,72,09,060
Gearing ratio (%)	72.13	82.20	89.08

35.24. Equity Reconciliation

Equity reconciliation of company as on 1st April,16 and 31st March,17 are given below:

Disclosures as required by Ind AS -101 -First Time Adoption of Indian Accounting Standards - Reconciliation between Previous GAAP and Ind AS.

(a) Reconciliation of equity as at 1st April, 2016 (date of transition to Ind AS): (In Rs.)

	Particulars	Foot Note	GAAP	Effect of Transition to Ind AS	Ind AS
		No.			
(1)	ASSETS				
	Non-current assets				
	(a) Property, Plant and Equipment	A	61,41,61,203	-	61,41,61,203
	(b) Capital work-in-progress		16,66,085	-	16,66,085
	(c) Other Intangible assets		2,20,650	-	2,20,650
	(d) Financial Assets				-
	(i) Loan	B	5,54,91,994	(1,33,26,755)	4,21,65,239
	(ii) Investment	C	2,95,94,300	(36,62,021)	2,59,32,279
	(e) Non-current Tax (Net)		12,58,285	-	12,58,285
	(f) Other non-current assets	D	12,83,694	94,32,934	1,07,16,628
			70,36,76,211	(75,55,842)	69,61,20,368
(2)	Current assets				
	(a) Inventories		1,55,15,59,468	-	1,55,15,59,468
	(b) Trade receivables		26,66,57,854	-	26,66,57,854
	(c) Financial Assets				-
	(i) Cash and cash equivalents		6,59,97,137	-	6,59,97,137
	(ii) Other Bank Balances		2,24,20,863	-	2,24,20,863
	(iii) Other current financial assets		76,23,366	-	76,23,366
	(d) Current Tax Assets (Net)		-		-
	(e) Other current assets		8,14,72,415	57,11,434	8,71,83,849
			1,99,57,31,103	57,11,434	2,00,14,42,537
	Total Assets		2,69,94,07,314	(18,44,409)	2,69,75,62,905
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity Share capital		18,40,00,340	-	18,40,00,340
	(b) Other Equity	H	10,45,59,552	(28,23,993)	10,17,35,559
			28,85,59,892	(28,23,993)	28,57,35,899
	LIABILITIES				
(1)	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	E	32,74,12,859	(3,32,10,399)	29,42,02,460
	(ii) Trade payables		-	-	-
	(iii) Other Financial Liabilities		-	-	-
	(b) Provisions		20,78,26,080	-	20,78,26,080
	(c) Deferred tax liabilities (Net)	F	1,54,15,568	(10,58,861)	1,43,56,707
	(d) Other non-current liabilities	G	22,46,322	2,84,94,951	3,07,41,273
			55,29,00,829	(57,74,309)	54,71,26,520
(2)	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		36,44,04,875	-	36,44,04,875
	(ii) Trade payables		94,98,95,702	-	94,98,95,702
	(iii) Other financial liabilities		42,22,13,109	-	42,22,13,109
	(b) Other current liabilities		11,92,01,313	67,53,892	12,59,55,205
	(c) Provisions		22,31,595	-	22,31,595
			1,85,79,46,593	67,53,892	1,86,47,00,486
	Total Equity and Liabilities		2,69,94,07,314	(18,44,410)	2,69,75,62,905

(b) Reconciliation of equity as at 31st March, 2017

(In Rs.)

	Particulars	Note No.	GAAP 31.03.17	Effect of Ind AS	Ind AS 31.03.17
1	ASSETS				
	Non-current assets				
	(a) Property, Plant and Equipment	A	95,50,75,006	(27,86,645)	95,22,88,361
	(b) Capital work-in-progress		-	-	-
	(c) Other Intangible assets		82,118	-	82,118
	(d) Financial Assets				-
	(i) Loan	B	4,30,62,444	(93,38,493)	3,37,23,952
	(ii) Investments	C	8,07,13,450	(32,52,877)	7,74,60,573
	(iv) Other Financial Assets		-	-	-
	(e) Deferred tax asset (Net)	F	(90,77,668)	6,05,57,541	5,14,79,873
	(f) Non current Tax (Net)		1,01,85,797	-	1,01,85,797
	(g) Other non current assets		45,95,019	60,79,124	1,06,74,143
			1,08,46,36,166	5,12,58,650	1,13,58,94,817
2	Current assets				
	(a) Inventories		2,26,23,95,417	-	2,26,23,95,417
	(b) Financial Assets				
	(i) Trade receivables		16,54,18,874	-	16,54,18,874
	(ii) Cash and cash equivalents		8,34,81,885	-	8,34,81,885
	(iii)Bank Balance		3,13,08,607	-	3,13,08,607
	(iv)Other Current Financial Assets		8,58,830	-	8,58,830
	(c) Current Tax Assets (Net)		-	-	-
	(d) Other current assets		8,04,68,338	36,93,669	8,41,62,007
			2,62,39,31,951	36,93,669	2,62,76,25,620
	Total Assets		3,70,85,68,117	5,49,52,320	3,76,35,20,437
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity Share Capital		18,40,00,340	-	18,40,00,340
	(b) Other Equity	H	42,83,24,390	4,27,18,636	47,10,43,026
			61,23,24,730	4,27,18,636	65,50,43,366
	LIABILITIES				
1	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowing	E	29,04,39,000	(2,07,00,642)	26,97,38,357
	(ii) Other Financial liabilities	I		45,67,437	45,67,437
	(b) Other non-current Lablities	G	22,46,322	2,16,12,997	2,38,59,318
	(c) Provisions		21,13,87,038	-	21,13,87,038
			50,40,72,360	54,79,792	50,95,52,151
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowing		95,65,21,021	-	95,65,21,021
	(ii) Trade payables		92,48,74,123	67,53,892	93,16,28,015
	(iii) Other Financial liabilities		33,42,04,157	-	33,42,04,157
	(b) Other current liabilities		37,23,98,405	-	37,23,98,405
	(c) Provisions		41,73,322	-	41,73,322
			2,59,21,71,028	67,53,892	2,59,89,24,920
	Total Equity and Liabilities		3,70,85,68,117	5,49,52,319	3,76,35,20,437

(c) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016

(In Rs.)

	Particulars	Foot Note	Amount (In Rs.)	Ind AS adjustment	Ind AS
I	Revenue From Operations		3,53,02,87,431	-	3,53,02,87,431
II	Other Income	J	8,66,66,242	2,00,30,232	10,66,96,474
III	Total Income (I+II)		3,61,69,53,674	2,00,30,232	3,63,69,83,905
IV	EXPENSES				
	Cost of materials consumed		2,95,29,90,457	-	2,95,29,90,457
	Purchase of Stock-in-Trade		12,27,68,100	-	12,27,68,100
	Net increase /Decrease in inventory		(68,44,86,743)	-	(68,44,86,743)
	Employee benefits expense	K	12,21,33,857	(31,60,339)	11,89,73,518
	Finance costs	L	7,07,12,753	2,66,06,368	9,73,19,121
	Depreciation and amortization expense		9,42,93,607	30,60,665	9,73,54,271
	Excise duty Expenses		16,84,33,987	-	16,84,33,987
	Other expenses		38,65,61,430	46,17,199	39,11,78,628
	Total expenses (IV)		3,23,34,07,447	3,11,23,893	3,26,45,31,340
V	Profit/(loss) before exceptional items and tax (I- IV)		38,35,46,226	(1,10,93,661)	37,24,52,565
VI	Exceptional Items		-	-	-
VII	Profit/(loss) before tax (V-VI)		38,35,46,226	(1,10,93,661)	37,24,52,565
VIII	Tax expense:				
	Current tax		6,60,66,000	-	6,60,66,000
	MAT Credit entitlement		-	(5,45,71,177)	(5,45,71,177)
	Deferred tax		(63,37,900)	(38,39,294)	(1,01,77,194)
IX	Profit (Loss) for the period (VII-VIII)		32,38,18,126	4,73,16,810	37,11,34,936
X	Other Comprehensive Income	M			
	A (i) Items that will not be reclassified to profit or loss				
	Gain / Loss arising on actuarial valuation arising on defined benefit obligation		-	31,60,339	31,60,339
	(Gain) / Loss arising on fair valuation of equity Instrument		-	(23,930)	(23,930)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(10,88,209)	(10,88,209)
XI	Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		32,38,18,126	4,52,68,610	36,90,86,736

(d) Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and Statement of Profit and Loss for the year ended 31st March, 2017:

A. Property, plant and equipment :

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipment, capital work in progress and computer software.

B &D. Loan:

Under the previous GAAP, security deposit given to parties were classified under loan and advances. Now, under Ind AS, refundable security deposit to be classified as loan given to parties and covered under Ind As 32 and 109 and required to be amortised to their fair value. Difference between carrying amount and its fair value is shown under deferred rent and amortised over the tenure of agreement.

C. Investments in equity instruments:

Under the previous GAAP, investment in equity instruments were classified as long-term investments or current investment based on the intended holding period and realizability. The Company accounted for long term investments in equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments, if any. Under Ind AS, the Company has the option to designate such investments either as FVTOCI or FVTPL investments under Ind As 109 and 32. In case of other long-term investments in unquoted equity shares, the Company has designated investments as FVTOCI investments as at the date of transition. Ind AS requires FVTOCI investments to be measured at fair value. Difference between Carrying value of investments as per Ind AS and carrying value of investments as per previous GAAP aggregating to Rs. 6.27lakhs at the date of transition and subsequent changes of 0.24 lakhs for the year ended 31st March, 2017 has been deferred and has been shown as "Deferred gain on changes in fair value of financial assets" under Other Non-Current Liabilities.

Investment in preference share (Unquoted)

Under GAAP investment in preference share were shown as investment. Under Ind AS 109 and 32 if they are issued less than market rate of interest and unquoted then should be amortised to bring them at their fair value. Difference between carrying value of Investment as per previous GAAP and Ind AS amounting to Rs.30.35 lakhs adjusted with retained earnings as on 01.04.16 and subsequent changes amounting to Rs. 50.14 lakhs routed through profit / loss account for the year ended 31.03.17.

E. Borrowings:

Ind AS requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, transaction costs incurred in connection with borrowings are accounted upfront and charged to Statement of Profit and Loss for the period in which such transaction costs are incurred. Accordingly, borrowings as at the transition date

aggregating to Rs.18.49 Lakhs have been reduced with a corresponding adjustment to retained earnings, net of tax.

Unsecured loan at interest free taken from promoters are amortised using effective interest Rate and Difference between carrying amount under previous GAAP and Ind As was amounting to Rs.36.47 lakhs adjusted with retained earnings as on 01.04.16 and subsequent changes, if any, operating to the year ended 31.03.17 amounting to Rs. 17.04 lakhs were transferred to statement of Profit / Loss account for the year ended 31.03.17.

F. Deferred tax: Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carry forward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets. In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings. The net impact on deferred tax liabilities has reduced by Rs.10.59 lakhs as at the date of transition and Rs. 594.99 lakhs for the year ended on 31st March, 2017 respectively.

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

G. Government Grant

Under Previous GAAP, Loan taken from government was not considered as government grant. Now, under Ind AS 20 loans received from government at concessional rate would be considered as government grant and its value will be determined under Ind As 109 and 32. Difference between amount under GAAP was transferred to deferred Income amounting to Rs.295.63 lakhspertain to the period prior to 01.04.16 was transferred to retained earnings and Subsequent amount Rs.108.05 lakhswas transferred to statement of profit / loss account for the year ended 31.03.17.

H. Capital Reserve

Certain government grant was received by the Company in past years as grant in the nature of promoter's contribution and recognized under Capital reserve as required under the previous GAAP. Ind AS does not permit recognition of government grant in the nature of promoter contribution to capital reserve. Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset. Accordingly, to comply with Ind AS 20 the Company has reclassified and transferred an appropriate amount Rs.48.33 lakhs from capital reserve to retained earnings as at the transition date as the period and term attached to grant is already satisfied.

I. Corporate Guarantee Given by Holding Company to Subsidiary.

The company has given guarantee to its subsidiary company (K.M. Energy (P) Ltd.) amounting to Rs.2,433.00 lakhs and the same was accounted for in the books at fair value of corporate guarantee for the year ended 31.03.17 as Investment in equity of subsidiary company and corresponding financial liability is created in the books that will be transferred to statement of Profit / Loss account over the period of corporate guarantee. K.M. Energy (P) Ltd. is not a subsidiary as at 31.03.2018.

J. Revenue from sale of goods

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has been increased by Rs1684.34 lakhs with a corresponding increase in "Total expense".

Interest Income

The previous GAAP required the recognition of revenue from interest on time proportion basis. However, Ind AS requires interest on financial assets to be recognized using the effective interest rate method.

K. Defined benefit liabilities:

As under the previous GAAP, under Ind AS, also the Company continues to recognize costs related to its post-employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, was charged to the Statement of Profit and Loss. Under Ind AS, re-measurements of defined benefit plan are recognized in the Balance Sheet with a corresponding debit or credit to equity through Other Comprehensive Income (OCI). Thus, the employee benefit cost is reduced by Rs.6.52 lakhs and re-measurement losses on defined benefit plans has been recognized in the OCI, net of tax as at the transition date. Under Ind AS, an entity is permitted to transfer amounts recognized in Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred as at the date of transition to Ind AS, all re-measurement costs relating to prior period to the transition date to Retained earnings.

L. Finance cost

Unwinding effect related to Financial Liability is recognised as Finance cost. It is mainly related to borrowing taken from government at concessional rate.

M. Total comprehensive income and other comprehensive income:

Under the previous GAAP, the company did not present

total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS. The company has accounted for difference between carrying amount of equity instrument as per GAAP and Ind As adjusted with retained earnings and classified as comprehensive income amounting to Rs. 13.23 lakhs as at 01.04.16 and subsequent changes on account of the same items amounting to Rs.20.48 lakhs were routed through comprehensive income.

35.25. Components of other comprehensive income

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

During the year ended 31 March, 2018

(In Rs.)

Description	Comprehensive income		Retained earnings	Total
Gain/(loss) on FVTOCI financial assets	35,989	-	-	35,989
Re-measurement gains (losses) on defined benefit plans	-	(19,163)	-	(19,163)
Retained earning	-	-	18,86,53,146	18,86,53,146
Taxes on above items	(8,303)	6,397	-	(1,906)
Total	27,686	(12,766)	18,86,53,146	18,86,68,065

During the year ended 31 March, 2017

(In Rs.)

Description	Comprehensive income		Retained earnings	Total
Gain/(loss) on FVTOCI financial assets	23,930	-	-	23,930
Re-measurement gains (losses) on defined benefit plans	-	(31,60,339)	-	(31,60,339)
Retained earning	-	-	37,11,34,937	37,11,34,937
Taxes on above items	(5,521)	10,93,730	-	10,88,209
Total	18,409	(20,66,609)	37,11,34,937	36,90,86,736

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

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

For and on behalf of Board of Directors

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

S. C. Agarwal
Executive Director
DIN-02461954

Aditya Jhunjhunwala
Managing Director
DIN-01686189

Date : 22nd May, 2018
Place : Lucknow

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 45th 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 Friday, the 28th day of September, 2018 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, 2018 and the reports of the Board of Directors and Auditors thereon; and, to consider and pass, with or without modification (s), the following resolutions as the Ordinary Resolutions:

   "RESOLVED THAT the audited financial statement of the Company for the financial year ended on March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before the 45th 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 Shri S.C Agrarwal, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s. Agiwal & Co, Chartered Accountants, New Delhi, Auditors at this Annual General Meeting 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), the company ratifies the appointment of M/s. Agiwal & Co, Chartered Accountants (Firm Registration No 00181N), as the Statutory Auditors of the Company from the conclusion of this Annual general meeting of the Company till the conclusion of next annual general meeting of the Company, on such remuneration plus Goods and 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 authorized 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Surendra Bahadur Singh (DIN 08082899), who was appointed as an Additional (Independent) Director of the Company in the Board meeting held on 12.02.2018 and whose term of office will be expired at the ensuing Annual General Meeting in terms of Section 161 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 along with the requisite fee, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of appointment, not liable to retire by rotation."

6. 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 there under (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. Aman Malviya & Associates, Cost Accountants, Lucknow for conducting cost audit of the Company for the financial year 2018-19 be and is hereby approved."

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

Company Secretary
Rajeev Kumar

Place: Lucknow

Dated: 07.08.2018

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 Regulations 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 21st September, 2018 to 28th September,2018 (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., 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.13.

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 Regulation 44(1) of SEBI (LORD) Regulations,2015, 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 45th 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 24th September, 2018 (10:00 am) and ends on 27th September,2018 (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 21st September, 2018, 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 Corporate.
- 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/her 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 "Polling 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. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

Rajeev Kumar
Company Secretary

Place: Lucknow
Dated: : 07-08-2018

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 5

Dr. Surendra Bahadur Singh was appointed by the Board in their meeting held on 12-02-2018 as Additional (Independent) Directors of the Company and his term of office expires at the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the said Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of Directors liable to retire by rotation. Accordingly, it is proposed to appoint Dr. Surendra Bahadur Singh as Independent Director under Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for 5 (five) consecutive years, he shall not be included in the total number of Directors liable to retire by rotation.

He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received notices in writing from a member along with the deposit of Rs.1,00,000/- requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Surendra Bahadur Singh for the office of Director of the Company. The Company has received declarations from them that they meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board and as recommended by the Nomination Remuneration Committee in their meeting held on 12.02.2018, Dr. Surendra Bahadur Singh fulfils the conditions for appointment as Independent Directors specified in the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is Independent to the management.

Brief resume and disclosure of information of Dr. Surendra Bahadur Singh nature of his expertise in specific functional areas pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standard – 2 on General Meetings issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government are given in the Annexure to the Notice.

The appointment of newly Independent Director and his association would be of immense benefit to the Company and it is desirable to avail services of Dr. Surendra Bahadur Singh as Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Dr. Surendra Bahadur Singh as Independent Director, for the approval of the Members of the Company.

Dr. Surendra Bahadur Singh is concerned or interested in the resolution as set out at Item No. 05 of the Notice , since it relate to his appointment.

None of the other Directors and Key Management Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 5.

Profile: Dr. S.B Singh

Dr. S.B Singh is M.Sc. (Agriculture),Ph.D. in Genetics and Plant Breeding and has been awarded Gold and Silver medal for owing the highest position in plant breeding and genetics. He is working as a Director in Science Education Research Development Association, Lucknow, UP. He also worked as the advisor in Sugar Industries i.e Balrampur Chini Mills, Triveni Group and Birla Group wherein he was responsible for development of agriculture through training and farmer fairs. Presently, he is on the Board of the Company and provides critical suggestions on technical matters. He holds nil (0.00%) equity shares in the Company.

Item no. 6

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 2018-19 in the meeting held on 22.05.2018 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 there under (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. 6 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 the Order of the Board
For K. M. Sugar Mills Ltd.

Date: 07.08.2018
Place: Lucknow

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., '- KM Spirits And Allied Industries Limited' '- Marvel Business Pvt . Ltd.,	NIL	Has 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 Agarwal (DIN-02461954)	B.Sc. From 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
3.	Dr. Surendra Bahadur Singh	M. Sc. (Agri) ., Ph.D. in Genetics and Plant Breeding	Nil	Nil	Has vide experience of 46 years and has been working as a Director in Science Education Research Dev . Asson. Lucknow, UP. A lso worked as the advisor in Sugar Industries i.e Balrampur Chini Mills, Triveni Group and Birla Group. Development of agriculture through training and farmer fairs.	

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 45th ANNUAL GENERAL MEETING of the Company held on Friday, 28th day of September, 2018 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.

Form No. MGT-11
Proxy form
[Pursuant to section105(6) of the Companies Act, 2013andrule 19(3) of the Companies (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 Friday, 28th day of September, 2018 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 Audited Profit & Loss Account for the year ended 31 st March, 2018 and the Balance Sheet as at that date together with the Auditors Report thereon.			
2	To reappoint Shri Sanjay Jhunjhuwala as Whole Time Director, who retired by rotation.			
3.	To reappoint Shri S.C Agarwal as Whole-Time Director, who retired by roation.			
4.	To ratify the appointment of M/s. Agiwal & Associates, Chartered Accountants, New Delhi, Statutory Auditors of the Company .			
5.	To appoint Dr. Surendra Bahadur Singh, as an Independent Director.			
6.	Approval of remuneration of the Cost Auditors			

Signed this..... day of.....2018

Affix revenue stamp

_____

Signature of shareholder

Signature of first proxy holder (s)

Notes:

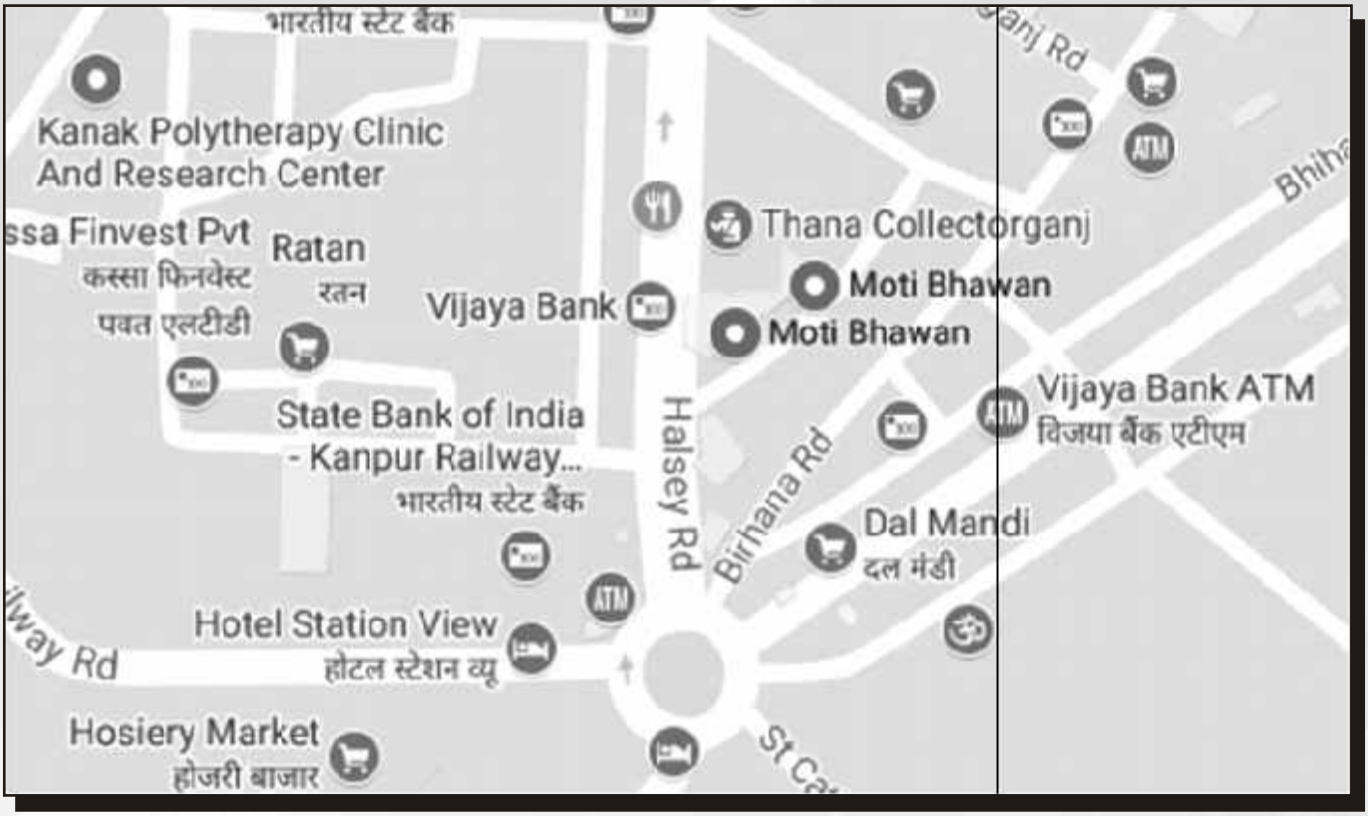
(1) The proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

(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 '

Route map of the registered office of K.M SUGAR MILLS LIMITED
at 11 – MOTI BHAVAN, COLLECTOR GANJ, KANPUR-208001 (U.P.)



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