



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
Phone : 7571000692, Email : director@kmsugar.com
CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

Date: 25.04.2026

To
Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001.

The Manager Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza' C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

Scrip Code: 532673

Symbol: KMSUGAR

Sub: Notice convening the Meeting of Unsecured Creditors of the Company for their requisite approval on the proposed Scheme of Arrangement for Demerger between K M Sugar Mills Limited ("Demerged Company"/ "the Company"/ "KMSM") and KM Spirits and Allied Industries Limited ("Resulting Company"/ "KMSAIL") and their respective shareholders and creditors ("Scheme of Arrangement") convened pursuant to the directions of the Hon'ble National Company Law Tribunal, Allahabad Bench ("Hon'ble Tribunal") vide its order dated March 24, 2026.

Ref: Section 230 – 232 of the Companies Act, 2013 read with relevant rules made thereunder;

Dear Sir / Ma'am,

This is in reference to the above captioned subject and pursuant to the order passed by Hon'ble National Company Law Tribunal, Allahabad Bench in First Motion Application w.r.t the proposed Scheme of Arrangement under Section 230 – 232 of the Companies Act, 2013 and rules made thereunder.

Notice is hereby given that the Meeting of Unsecured Creditors of the Company is scheduled to be held on Saturday, May 30, 2026 at 12:30 PM (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the aforementioned Scheme of Arrangement.

A copy of the notice calling meeting of Unsecured Creditors of the Company along with the requisite Annexures is enclosed herewith.

The aforesaid Notice and the Explanatory statement together with the accompanying documents are also being uploaded on the website of the Company and can be accessed at following link:
<https://www.kmsugar.com/wp-content/uploads/2026/04/notice-of-meeting-of-creditors.pdf>

The Schedule of the Meeting of Unsecured Creditors is placed below:

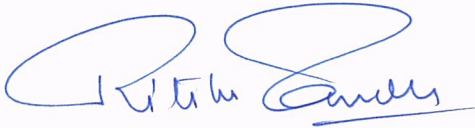
| | | |
|-------------------------|---|--|
| Day & Date | : | Saturday, May 30, 2026 |
| Time | : | 12:30 PM (IST) |
| Mode of Meeting | : | Through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') |
| Mode of Voting | : | Remote e-voting & voting at the Meeting (including e-voting) |
| Venue of Meeting | : | Registered Office (Deemed Venue for VC meeting) |

| | | |
|----------------------|---|--|
| Cut-off Date | : | Friday, October 31, 2025 |
| Commencing on | : | Wednesday, May 27, 2026 at 9:00 AM (IST) |
| Ending on | : | Friday, May 29, 2026 at 5:00 PM (IST) |

Submitted for your information. You are kindly requested to take the same on records.

Yours faithfully,

For & on behalf of K M Sugar Mills Limited



Ritika Tandon
Company Secretary and Compliance Officer

Encl: Complete Notice convening Meeting of Unsecured Creditors of the Company for their requisite approval on the proposed Scheme of Arrangement

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS
OF
K M SUGAR MILLS LIMITED**

*(Convened pursuant to Order dated March 24, 2026, passed by the Hon'ble National Company Law
Tribunal at Allahabad Bench ('NCLT'))*

| | | |
|-------------------------|---|--|
| Day | : | Saturday |
| Date | : | May 30, 2026 |
| Time | : | 12: 30 PM (IST) |
| Mode of Meeting | : | Through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') |
| Mode of Voting | : | Remote e-voting & voting at the Meeting (including e-voting) |
| Venue of Meeting | : | Registered Office (Deemed Venue for VC meeting) |

REMOTE E-VOTING:

| | | |
|----------------------|---|---|
| Cut-off Date | : | Friday, October 31, 2025 |
| Commencing on | : | Wednesday, May 27, 2026 at 9:00 AM (IST) |
| Ending on | : | Friday, May 29, 2026 at 5:00 PM (IST) |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT ALLAHABAD
COMPANY APPLICATION C.A. (CAA) NO.5/ALD/2026**

IN THE MATTER OF:

SECTION 230 – 232 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 AND 7 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

AND

IN THE MATTER OF:

K M SUGAR MILLS LIMITED

Having its registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010.

..... (Demerged Company/ Applicant Company 1)

AND

KM SPIRITS AND ALLIED INDUSTRIES LIMITED

Having its registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010.

..... (Resulting Company/ Applicant Company 2)

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF K M SUGAR MILLS LIMITED (“DEMERGED COMPANY”/ “THE COMPANY”) AS PER THE DIRECTIONS OF HON’BLE NATIONAL COMPANY LAW TRIBUNAL, ALLAHABAD BENCH

To

The Unsecured Creditors of K M Sugar Mills Limited (“Demerged Company”/ “the Company”)

1. **NOTICE** is hereby given that by the Order dated March 24, 2026 (“**Order**”/ “**NCLT Order**”), Hon’ble National Company Law Tribunal, Allahabad Bench, has directed that a meeting of the Unsecured Creditors of the Company be held at the venue, date, time and mode. As per the said Order, the Chairperson decided that the meeting of the Unsecured Creditors will be convened through Video Conferencing / Other Audio-Visual Means (“**VC**”/ “**OAVM**”) (“**Meeting**”) with facility of remote e-voting, for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement for Demerger between K M Sugar Mills Limited (“**Demerged Company**”) and KM Spirits and Allied Industries Limited (“**Resulting Company**”) and their respective Shareholders and Creditors under the provisions of Section 230 – 232 of the Companies Act, 2013 (“**Scheme**”). Accordingly, notice is hereby given that a meeting of the Unsecured Creditors of the Company will be held through VC/ OAVM on **Saturday, May 30, 2026, at 12:30 PM (IST)** at which you are requested to attend the meeting through VC/ OAVM without physical presence at a common venue.
2. **At the said meeting, following resolution will be considered and if thought fit, be passed, with or without modification(s) with the requisite majority:**

“RESOLVED THAT pursuant to the provisions of Sections 230 – 232 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**), the rules, circulars and notifications made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force) as may be applicable and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the sanction of Hon’ble National Company Law Tribunal, Allahabad Bench (**“NCLT”**) and subject to such other approval(s), permission(s) and sanction(s) of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement for Demerger between K M Sugar Mills Limited (**“Demerged Company”**) and KM Spirits and Allied Industries Limited (**“Resulting Company”**) and their respective Shareholders and Creditors (**“Scheme”**), be and is hereby approved.

RESOLVED FURTHER THAT any Director, Chief Financial Officer and the Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as any one of the Whole-time Directors, Chief Financial Officer and the Company Secretary and Compliance Officer may deem fit and proper.”

3. Take further notice that the Unsecured Creditors shall have the facility and option to vote on the aforesaid resolution for approval of the Scheme by casting their votes (a) through e-voting system available during the meeting to be held virtually, or (b) by remote e-voting during the period as stated below:

| | |
|---------------------------------|---|
| Commencement of remote e-voting | Wednesday, May 27, 2026 at 9:00 AM (IST) |
| End of remote e-voting | Friday, May 29, 2026 at 5:00 PM (IST) |

It is clarified that votes may be cast by the Unsecured Creditors by remote e-voting in terms of this Notice and casting of votes by remote e-voting does not disentitle them or their authorized representatives from attending the Meeting. However, the Creditor or their authorized representatives who have cast their votes by remote e-voting will not be eligible to cast their votes by e-voting during the Meeting.

4. Take further notice that a person, whose name is recorded as Unsecured Creditors in the record of the Company as on the Cut-off Date, i.e., Friday, 31 October, 2025 (“**Cut-off Date**”) only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting through VC/ OAVM. The value of the votes cast shall be reckoned and scrutinized with reference to the said Cut-off Date in accordance with the books and records of the Company and where entries in the books are disputed, the Chairperson of the meeting shall determine the value for purposes of the said meeting.
5. Copies of the Scheme and of the Explanatory Statement, under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index are enclosed.

If so desired, the Unsecured Creditor of the Company can obtain copies of the Notice and the accompanying documents, i.e., Scheme of Arrangement and the Explanatory Statement under Section 102 and Sections 230 – 232 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, free of charge, on any day (except Saturday, Sunday and public holidays) from the Registered Office of the Demerged Company at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010. Alternatively, a written request in this regard may be addressed to the Company Secretary at cs@kmsugar.in, along with details of your outstanding amount with the Company and the Company will arrange to send the same to you at your registered address.

6. Pursuant to the NCLT Order dated March 24, 2026, Sri Harnam Singh Thakur has been appointed as the Chairperson of the said Meeting and Mr. Deependra Mohan has been appointed as the Alternate Chairperson. Further, Mr. Ankit Kumar Singh has been appointed as the Scrutinizer of the said Meeting of Unsecured Creditors of the Company. The Scrutinizer, after the conclusion of the e-voting at the Meeting, will unblock the votes cast through remote e-voting and votes cast at the Meeting in the presence of at least 2 (two) witnesses not in the employment of the Company, who shall make a consolidated Scrutinizer’s Report of the total votes cast in favor or against the aforesaid resolution and submit the same to the Chairperson of the Meeting. The Company shall declare on its website the results of the Meeting after receipt of the report from the Scrutinizer and submit to the Stock exchanges where the securities of the Company is listed within 2 (two) working days. Further, the Chairperson shall submit the report to NCLT in Form No. CAA-4, the result of the Meeting within 7 (Seven) working days from the date of the conclusion of the Meeting.
7. The Scheme of Arrangement, if approved in the aforesaid Meeting, will be subject to the subsequent approval of NCLT and such other approvals, permissions, and sanctions of regulatory or other authorities, if any.

Date: 18.04.2026

Place: Chandigarh

Sd/-

**Sri Harnam Singh Thakur, Former Judicial Member, NCLT Chandigarh
Chairperson appointed vide NCLT Order for the Meeting of
Unsecured Creditors of K M Sugar Mills Limited**

Notes:

1. Pursuant to the Order of the Hon'ble NCLT, Allahabad Bench dated March 24, 2026 and relevant circulars issued by the Ministry of Corporate Affairs and SEBI, and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Meeting is being held through Video Conferencing ("VC") or other Audio-Visual Means ("OAVM") to transact the business set out in the Notice of the Meeting.
2. The Notice of the meeting, Explanatory Statement along with accompanying documents mentioned in the index are sent through electronic mode and/or through post to the Unsecured Creditors whose names appear in the books of the Company as on Friday, October 31, 2025 ("Cut-off Date"), as per the records of the Company at their respective last known e-mail addresses / postal address. The Unsecured Creditors whose email addresses are not registered with the Company, can register the same with RTA i.e. MUFG Intime India Pvt. Ltd, - A - 40, 2nd Floor, Naraina Industrial Area, Phase - II, Near Batra Banquet Hall, New Delhi - 110028, CIN: U67190MH1999PTC118368, Tel. No.: 011 - 41410592, Fax: 011 - 41410591, Email: delhi@linkintime.co.in, may note that the aforesaid documents are available on the website of the Company and can be accessed / downloaded from: www.kmsugar.com/ and the website of Stock Exchanges, i.e., BSE Limited at www.bseindia.com, and National Stock Exchange of India Limited at www.nseindia.com and/or also available on the website of MUFG Intime India Pvt. Ltd (agency for providing the Remote e-Voting facility) at <https://in.mpms.mufig.com/>.
3. A person, whose name is recorded in the books of the Company as Unsecured Creditors as on the Cut-off Date only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting.
4. The voting rights of the Unsecured Creditors shall be in proportion to their outstanding debt towards the Company as on the Cut-off Date.
5. Since this meeting is being held through virtual mode, there will not be any physical attendance of Unsecured Creditors. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for the Meeting and hence, the proxy form and attendance slip are not annexed hereto. Consequently, there is no requirement to maintain the register of proxies as the meeting of the Unsecured Creditors of the Company is being held through virtual mode. Further, no route map of the venue of the Meeting is annexed hereto, since this meeting is being held through Virtual Mode.
6. Institutional/ Corporate Unsecured Creditors (i.e. other than individuals/ HUF/ NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/ Authorisation etc., authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/ Authorisation shall be sent to the Scrutinizer by e-mail at cs.ankitsingh22@gmail.com, with a copy marked to cs@kmsugar.in.
7. The attendance of the Unsecured Creditors attending the Meeting through Virtual Mode will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013, and as per the terms of the NCLT Order. Attendance at such meeting shall be recorded in the minutes of the meeting instead of taking physical attendance slips.

8. The quorum of the meeting of the Unsecured Creditors shall be as per Section 103 of the Companies Act, 2013. The proxy(ies) will not be counted for the calculation of the quorum for the above meeting of the Unsecured Creditors. In case, the quorum is not present at the time of the commencement of the meeting, then the meeting shall be adjourned by half an hour. Thereafter, the persons present and voting shall be deemed to constitute the quorum.
9. The Unsecured Creditors can join the Meeting through Virtual Mode 15 minutes before and during the meeting after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The Unsecured Creditors will be able to view the proceedings and participate at the Meeting by logging into the e-Voting website at <https://in.mpms.mufg.com/>.
10. As per the provisions of Section 230 – 232 of the Act, the Scheme shall be acted upon only if a majority of persons in number representing three fourth in value of the Unsecured Creditors of the Company, voting in person, agree to the Scheme.
11. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Demerged Company will be available for inspection by the Unsecured Creditors at the registered office of the Company between 11.00 AM (IST) and 5.00 PM (IST) on all working days up to the date of the meeting and also in electronic mode. Unsecured Creditors seeking to inspect such documents through electronic mode can send an email to cs@kmsugar.in.
12. The result shall be reported to the NCLT by the Chairperson within the time fixed by NCLT (i.e., within 7 working days of conclusion of Meeting), as directed in the NCLT Order.
13. This Notice, along with copy of the Scheme of Arrangement and other enclosures is also displayed/ posted on the website of the Company: www.kmsugar.com, website of Stock Exchanges i.e., BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and/ or website of E-voting service provider i.e. MUFG Intime India Pvt. Ltd at <https://in.mpms.mufg.com/>.
14. The Notice convening meeting of the Unsecured Creditors in Form CAA-2, containing the requisite details will be published through advertisement in the following newspapers, namely, (i) Financial Express, English Newspaper; and Jan Satta, Hindi.
15. Unsecured Creditors who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications.
16. The Chairperson of the meeting shall, during and 15 minutes after the conclusion of the meeting, allow voting with the assistance of the Scrutinizer, for all those Unsecured Creditors who are present at the meeting and who have not cast their votes by availing the remote e-voting facility.

17. Eligible Unsecured Creditors, who would like to express their views or ask clarifications during the said meeting will have to register themselves as a speaker during the period starting from Wednesday, May 27, 2026 from 09:00 AM (IST) to Thursday, May 28, 2026 up to 05:00 PM (IST) by sending the requests from their registered email address mentioning their name, PAN, mobile number, email address at cs@kmsugar.in and a link will thereafter be provided to the registered speakers for participating in the Meeting. Only those Unsecured Creditors who have registered themselves as a speaker will be allowed to express their views/ ask clarifications during the said meeting. The Company reserves the right to restrict the number of speakers/ questions depending on the availability of time for the said meeting. Please note that only the Unsecured Creditors having outstanding debt as on cut-off date will be eligible to register as speakers. The Company may respond suitably to those as Unsecured Creditors who had sent requests to the Company to express their views/questions but due to paucity of time did not get opportunity to ask questions during the Meeting.

THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR REMOTE E-VOTING AND JOINING THE MEETING THROUGH VC ARE AS UNDER:

REMOTE EVOTING INSTRUCTIONS FOR CREDITORS:

Login method for Creditors:

Creditors holding amount as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: SIGNUP on InstaVote

- a) Visit URL: <https://instavote.linkintime.co.in>

Creditors who have not registered for InstaVote facility:

- b) Click on “**Sign Up**” under ‘SHARE HOLDER’ tab and register with your following details:
1. **User ID:** Enter user id as Event No. + Folio No. (Reference Number) provided to you on your registered email address.
 2. **PAN:**
Enter your 10-digit Permanent Account Number (PAN)
(Creditors who have not updated their PAN with the Company shall use the sequence number provided to you, if applicable).
 3. **DOB/DOI:**
Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As updated with your Company - in DD/MM/YYYY format).

OR

4. **Bank Account Number:**
Enter your Bank Account Number (last four digits), as recorded with your Company / Enter your Folio No. (Reference Number) provided to you on your registered email address.

**Creditors who don't have 'C' and 'D', shall provide their Folio No. in 'D' above.*

5. Set the password of your choice.
(The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
6. Enter Image Verification (CAPTCHA) Code.
7. Click “Submit” (You have now registered on InstaVote).

Post successful registration, click on “Login” under ‘SHARE HOLDER’ tab & follow the below steps.

STEP 2: LOGIN on InstaVote

- c) Visit URL: <https://instavote.linkintime.co.in>.
 1. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
 2. Enter your User ID Event No. + Folio No. (*Reference Number*) provided to you on your registered email address.
 3. Enter your Password.
 4. Enter Image Verification (CAPTCHA) Code.
 5. Click “Submit” (You have now successfully logged in on InstaVote).

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire resolution details, click on the ‘**View Resolution**’ file link).
After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘**No**’ and accordingly modify your vote.

Helpdesk:

Creditors holding amount facing any technical issue in login/ sign up may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

INSTAMEET VC INSTRUCTIONS FOR CREDITORS:

Creditors are advised to update their mobile number and email Id correctly with the company to access InstaMeet facility.

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

- d) Visit URL: <https://instameet.in.mpms.mufg.com> & click on “**Login**”.
- e) Select the “Company” and register with your following details:
- f) Select Check Box - **Folio No.** / **PAN**
 - Members selecting check box “**Folio No**” - Enter your Folio No. (Reference Number) provided to you on your registered email address.
 - Members selecting check box “**PAN**” and enter 10-digit Permanent Account Number (PAN). Members who have not updated their PAN with the Company shall use the Sequence Number provided by MUFG Intime, if applicable.

- **Mobile No:** Mobile No. as updated with Company is displayed automatically. Members who have not updated their Mobile No with the Company shall enter the mobile no.
 - **Email ID:** Email Id as updated with Company is displayed automatically. Members who have not updated their email id with the Company shall enter the email id.
- g) Click “Go to Meeting”.
- You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for Creditors to Speak during the General Meeting through InstaMeet:

- a) Creditors who would like to speak during the meeting must register their request with the company.
- b) Creditors will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Creditors will receive “speaking serial number” (if registered for the meeting) once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other creditor who has not registered as “Speaker” may still ask questions to the panellist via active chat-board during the meeting (if allowed from the company).

**Creditors are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking (if registered for the meeting).*

Instructions for Creditors to Vote during the General Meeting through InstaMeet:

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

- a) On the Creditors VC page, click on the link for e-Voting “Cast your vote”
- b) Enter your Folio No. (Reference Number) and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet
- c) Click on 'Submit'.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of amount (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Creditors/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Creditors/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Creditors/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Creditors/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Creditors/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

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

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

Date: 18.04.2026

Place: Chandigarh

Sd/-

**Sri Harnam Singh Thakur, Former Judicial Member, NCLT Chandigarh
Chairperson appointed vide NCLT Order for the Meeting of
Unsecured Creditors of K M Sugar Mills Limited**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT ALLAHABAD
COMPANY APPLICATION C.A. (CAA) NO.5/ALD/2026**

IN THE MATTER OF:

SECTION 230 – 232 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 AND 7 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

AND

IN THE MATTER OF:

K M SUGAR MILLS LIMITED

Having its registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010.

..... (Demerged Company/ Applicant Company 1)

AND

KM SPIRITS AND ALLIED INDUSTRIES LIMITED

Having its registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010.

..... (Resulting Company/ Applicant Company 2)

EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTIONS 230(3) OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. Pursuant to the Order passed by the Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") dated March 24, 2026 ("Order"/ "NCLT Order"), a meeting of the Unsecured Creditors of K M Sugar Mills Limited ('Demerged Company') is being convened and held through VC/OAVM on **Saturday, May 30, 2026 at 12:30 PM (IST)** for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement for Demerger between K M Sugar Mills Limited ('Demerged Company') and KM Spirits And Allied Industries Limited ('Resulting Company') and their respective Shareholders and Creditors ("Scheme"/ "Scheme of Arrangement") under the provisions of Section 230-232 of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment or amendment thereof for the time being in force) read with the rules issued thereunder. Notice of the said meeting together with the copy of the Scheme along with annexures are enclosed herewith. This Explanatory statement explaining the terms of the Scheme is being furnished as required under section 102 read with section 230-232 of the Companies Act, 2013.

2. The draft Scheme was placed before the Audit Committee and Board of Directors of the Demerged Company initially at their respective meetings held on August 07, 2025. In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, the Audit Committee of the Demerged Company vide a resolution passed on August 07, 2025 at their meeting recommended the Scheme to the Board of Directors of the Demerged Company, inter alia, taking into account the Share Entitlement Report dated August 07, 2025 issued by Axiology Valuetech Private Limited, Independent Registered Valuer and Fairness Opinion dated August 07, 2025 issued by SEBI Registered Category-I, Merchant Banker namely Corporate Professionals Capital Private Limited. The Board of Directors of the Demerged Company approved the Scheme during its meeting on August 07, 2025.

3. List of the Companies/ Parties involved in the Scheme:

- A. K M Sugar Mills Limited ('Demerged Company')
- B. KM Spirits and Allied Industries Limited ('Resulting Company')

4. Details of the Companies involved in the Scheme:

A. K M SUGAR MILLS LIMITED

a) K M Sugar Mills Limited (hereinafter referred to as "KMSM" or "Demerged Company") is a Public Limited Company bearing CIN L15421UP1971PLC003492 was incorporated on December 17, 1971 under the provisions of Companies Act, 1956. The registered office of the Demerged Company is presently situated at 76, Eldeco Greens, Gontinagar, Lucknow, Uttar Pradesh - 226010.

PAN: AAACK5545P

Email: cs@kmsugar.in

b) The Demerged Company is a listed entity having its Equity Shares listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

c) KMSM is a diversified company engaged in a diversified business of manufacturing and selling sugar and other businesses, including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and Distillery business, manufacturing, selling and distributing, the Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). Further, the main objects of the memorandum of association also permit the company to carry on the business in the field of mineral water, beverages, laminates, boards, fertilizers, power and to utilize the by-products in related ventures.

d) The Summary of the main objects of the Demerged company as per its Memorandum of Association are as follows:

- i. To manufacture, produce, process, purchase, sell, import, export and generally deal in sugar, sugarcane, molasses, jaggery, syrups and all other sugar-based products and by-products.

- ii. To establish, operate and carry on the business of distilleries, breweries and beverage units and to manufacture, process, blend, bottle, trade and deal in alcohol, ethanol, ENA, rectified spirits, IMFL, beer, wines, spirits, sanitizers, mineral water, drinking water, soft drinks and other allied beverages, in accordance with applicable law.
 - iii. To manufacture, process, trade and deal in fertilizers, manures, pesticides, weedicides, plant protection and other agro-based and nurturing products.
 - iv. To generate, produce, transmit, distribute, supply and deal in electricity and power from thermal, hydel, solar, wind, gas or any other source and to establish and maintain power plants, transmission lines, substations and related infrastructure.
 - v. To manufacture, process, trade and deal in laminates, boards, veneers, paper, pulp, glassware and other commercial and industrial products.
 - vi. To set up, acquire, establish, lease, operate, manage and maintain factories, plants and undertakings and to enter into joint ventures, partnerships or other arrangements for carrying on the business of the Company.
 - vii. To utilise, process and commercially exploit the by-products arising from the business operations of the Company in such manner as may be considered expedient.
- e) The Authorized, Issued, Subscribed and Paid-up Capital of the Demerged Company as on date is as follows:

| Particulars | Amount (Rs.) |
|---|---------------------|
| Authorized Share Capital | |
| 10,00,00,000 Equity Shares of Rs. 2/- each | 20,00,00,000 |
| TOTAL | 20,00,00,000 |
| Issued, Subscribed and Paid-Up Share Capital | |
| 9,20,00,170 Equity shares of Rs. 2/- each | 18,40,00,340 |
| TOTAL | 18,40,00,340 |

- f) Details of change in name, registered office or objects of the Demerged Company during the last five years:
- Name clause: No change;
 - Registered office clause: No change;
 - Objects clause: No change;
- g) Details of the present promoter/ promoter group and directors of the Demerged Company are as follows:

● **Promoter / Promoter Group**

| S. No. | Name | Category | Address |
|---------------|-------------|-----------------|----------------|
|---------------|-------------|-----------------|----------------|

| | | | |
|-----|---|----------------|---|
| 1. | Lakshmi Kant Jhunjhunwala | Promoter | K M Sugar Mills Colony Madhopur Faizabad Uttar Pradesh – 224201. |
| 2. | Lakshmi Kant Dwarkadas HUF | Promoter | K M Sugar Mills Colony Madhopur Faizabad Uttar Pradesh – 224201 |
| 3. | Aditya Jhunjhunwala | Promoter | Srikunj Masodha, Faizabad, UP-224201 |
| 4. | Sanjay Jhunjhunwala | Promoter | Shrim, N H 2, Vishwas Khand 2, Opp H. No. 2/327, Gomti Nagar, Gominagar, PO: Gominagar, DIST: Lucknow, Uttar Pradesh – 226010 |
| 5. | Naina Jhunjhunwala | Promoter Group | 76, Eldeco Greens Gomti Nagar, Lucknow, Uttar Pradesh - 226010 |
| 6. | Vatsal Jhunjhunwala | Promoter Group | 2/72, Vipul Khand-2 Gomti Nagar, Lucknow, UP-226010 |
| 7. | Shivam S Shorewala | Promoter Group | Mount Everest Building, Flat No.15, Plot No.7,2nd Floor, Pedder Road, Mumbai, Cumballa Hill, Maharashtra – 400026 |
| 8. | Marvel Business Private Ltd | Promoter Group | 1 st Floor, 4-Lee Road, Sumangal Apartment, Kolkata, West Bengal – 700020 |
| 9. | K M Vyapar Limited | Promoter Group | 76, Eldeco Greens Gomti Nagar, Lucknow, Uttar Pradesh – 226010 |
| 10. | Jhunjhunwala Securities Private Limited | Promoter Group | 76, Eldeco Greens Gomti Nagar, Lucknow, Uttar Pradesh – 226010 |
| 11. | Francoise Commerce Private Limited | Promoter Group | 1 st Floor, 4-Lee Road, Sumangal Apartment, Kolkata, West Bengal, India, 700020 |
| 12. | Vridhi Trust | Promoter Group | 11 Moti Bhawan 52/1, Collectorganj, Kanpur-208001 |

• **Directors**

| S. No. | Name | Designation | DIN | Address |
|--------|--------------------------------------|---------------------------|----------|---|
| 1. | Subhash Chandra Aggarwala | Whole time Director - CEO | 02461954 | House No. B-2 E D Bungalow Madhavpur K M Sugar Mills Colony Madhopur Motinagar Sohawal Faizabad Uttar Pradesh – 224201. |
| 2. | Lakshmi Kant Dwarka Das Jhunjhunwala | Whole time Director | 01854647 | K M Sugar Mills Colony Madhopur Faizabad Uttar Pradesh – 224201. |

| | | | | |
|----|------------------------|---------------------|----------|---|
| 3. | Sanjay Jhunhunwala | Whole time Director | 01777954 | Shrim, N H 2, Vishwas Khand 2, Opp H. No. 2/327, Gomti Nagar, Gomtinagar, PO: Gomtinagar, DIST: Lucknow, Uttar Pradesh – 226010 |
| 4. | Aditya Jhunhunwala | Managing Director | 01686189 | Srikunj Masodha, Faizabad, UP-224201 |
| 5. | Sushil Solomon | Director | 08553009 | C-2/278, Sector-F, Jankipuram, Batha. Lucknow, Uttar Pradesh – 226021 |
| 6. | Bakshi Ram | Director | 02235466 | House No. 401, Sector – 9, Gurgaon Haryana – 122002. |
| 7. | Bibhas Kumar Srivastav | Director | 06533710 | 16/1454, Indira Nagar Behind, Lekhraj Gold Complex, Indira Nagar |
| 8. | Archna Agarwal | Director | 10615127 | A-202, Halwasiya's Lorepur Residency, Near New Hyderabad Post office, Nishatganj, Lucknow (UP) – 226007 |
| 9. | Narendra Mohan | Director | 10661367 | 7/125, Swaroop Nagar, Kanpur Nagar, Uttar Pradesh – 208002 |

- h) As on 31.10.2025, the amount due to the Secured Creditors of Demerged Company is Rs. 29.66 Crore and to Unsecured Creditors is Rs. 9.84 Crore.

B. KM SPIRITS AND ALLIED INDUSTRIES LIMITED

- a) KM Spirits and Allied Industries Limited (hereinafter referred to as “KMSAIL” or “Resulting Company”) is a Public Limited Company bearing CIN U15100UP2018PLC101321, was incorporated on February 23, 2018 under the provisions of Companies Act, 2013. The Registered office of the Resulting Company is presently situated at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010.
PAN: AAGCK9739H
Email: kmspirits79@gmail.com
- b) The Resulting Company is an unlisted company.
- c) KMSAIL has been incorporated for the purpose of carrying on the business of manufacture, processing, bottling, trading, distribution, import and export of spirits and alcoholic beverages, including industrial alcohol such as ethanol, Extra Neutral Alcohol and rectified spirit, as well as liquor for human consumption like India Made Foreign Liquor, country liquor, beer, wine, whisky, rum, brandy and similar products. The Company is also empowered to undertake wholesale, retail and marketing activities in relation to such products and to engage in ancillary activities, including manufacture and trading of packaging materials used in the alcoholic beverage industry.
- d) The Summary of the main objects of the Resulting Company as per its Memorandum of Association are as follows:

- i. To engage in distillation and manufacture of industrial alcohol (ethanol, Extra Neutral Alcohol, rectified spirit) as well as spirits for human consumption.
 - ii. To manufacture, process, bottle, import, export and trade in all kinds of alcoholic beverages, including India Made Foreign Liquor, country liquor, beer, wine, whisky, rum, brandy, gin and similar products, whether natural or synthetic.
 - iii. To act as wholesaler, retailer, distributor, stockist, dealer, C&F agent, del-credere agent, marketer and merchandiser of alcoholic spirits, including imported and domestic liquor products.
 - iv. To manufacture, import, export and trade in bottles, cartons, labels and other packaging or ancillary materials used in the manufacture and sale of alcoholic beverages.
 - v. To generate, transmit, supply, distribute and trade in electricity and power from conventional and renewable sources such as solar, wind, hydro, tidal, steam and other energy forms.
 - vi. To operate across the solar energy value chain, including polysilicon and chemical processing, cell and module manufacturing, system installation, EPC contracting, setting up of industrial plants, and providing project consultancy, product marketing and management services.
- e) The Authorized, Issued, Subscribed and Paid-up Capital of the Resulting Company as on the date is as follows:

| Particulars | Amount (Rs.) |
|---|---------------------|
| Authorized Share Capital | |
| 50,000 Equity Share of Rs. 10/- each | 5,00,000 |
| TOTAL | 5,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 50,000 Equity Share of Rs. 10/- each fully paid up | 5,00,000 |
| TOTAL | 5,00,000 |

- f) Details of change in name, registered office or objects of the Resulting Company during the last five years:
- Name clause: No change;
 - Registered office clause: No change;
 - Objects clause: No change;
- g) Details of the present promoter / promoter group and directors of the Resulting Company are as follows:

● **Promoter / Promoter Group**

| S. No. | Name | Category | Address |
|---------------|-------------------------|-----------------|--|
| 1. | K M Sugar Mills Limited | Promoter | 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh – 226010 |

Note: K M Sugar Mills Limited, together with its seven (7) nominee shareholders, holds the entire share capital of the Resulting Company.

● **Directors**

| S. No. | Name | Designation | DIN | Address |
|--------|--------------------|-------------|----------|--|
| 1. | Sanjay Jhunjunwala | Director | 01777954 | Shrim, N H 2 Vishwas Khand 2, Opp H. No. 2/327, Gomti Nagar, Gomtinagar, PO: Gomtinagar, DIST: Lucknow, Uttar Pradesh – 226010 |
| 2. | Hari Nath | Director | 06804331 | 50- K M Sugar Mills Limited, Moti Nagar, Masodha-224201 (Distt. Faizabad) U.P. |
| 3. | Aditya Jhunjunwala | Director | 01686189 | Srikunj Masodha, Faizabad, UP-224201 |

h) As on 31.10.2025, there is no Secured Creditor in the Resulting Company. Further, the amount due to Unsecured Creditors is Rs. 17,800/-.

5. Relationship between the Demerged Company and Resulting Company.

Presently, the Resulting Company is a wholly owned subsidiary of the Demerged Company.

6. Details of the Board meeting at which the proposed Scheme was approved by the Board of Directors of the Demerged Company and Resulting Company including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

A. For Demerged Company:

Date of the Board meeting at which the Scheme was approved by the Board of directors: August 07, 2025.

| S. No. | Name of the directors | Details (voted in favour/ voted against/ didn't vote) |
|--------|-------------------------------------|---|
| 1. | Subhash Chandra Aggarwala | Voted in Favour |
| 2. | Lakshmi Kant Dwarka Das Jhunjunwala | Voted in Favour |
| 3. | Sanjay Jhunjunwala | Absent |
| 4. | Aditya Jhunjunwala | Voted in Favour |
| 5. | Sushil Solomon | Voted in Favour |
| 6. | Bakshi Ram | Absent |
| 7. | Bibhas Kumar Srivastav | Voted in Favour |
| 8. | Archna Agarwal | Voted in Favour |
| 9. | Narendra Mohan | Voted in Favour |

B. For Resulting Company:

Date of the Board meeting at which the Scheme was approved by the Board of directors: August 7, 2025.

| S. No. | Name of the directors | Details (voted in favour/ voted against/ didn't vote) |
|--------|-----------------------|---|
| 1. | Sanjay Jhunjhunwala | Voted in Favour |
| 2. | Hari Nath | Voted in Favour |
| 3. | Aditya Jhunjhunwala | Voted in Favour |

7. Approvals Required

For the purpose of giving effect to the proposed Scheme, following approvals are required:

| S. No. | Particulars | Status of Approval/NOC |
|--------|----------------------------------|--|
| 1. | SEBI through the Stock Exchanges | The National Stock Exchange of India Limited was appointed as the designated stock exchange by the Demerged Company for the purpose of coordinating with SEBI, pursuant to SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The Demerged Company has received Observation letter regarding the Scheme from BSE vide its letter dated January 13, 2026 and from NSE vide its letter dated January 12, 2026. There are no adverse observations made by both the Stock Exchanges. A copy of the Observation letters received from BSE and NSE are annexed with this Notice. |

8. Pre and Post Scheme of Arrangement: Capital Structure

(Amount in INR)

| Particulars | Pre | | Post (Expected) | |
|-----------------------------|--|---|--|---|
| | Demerged Company | Resulting Company | Demerged Company | Resulting Company |
| Equity Share Capital | 18,40,00,340/- (9,20,00,170 Equity shares of Rupees 2/- each fully paid up) | 5,00,000/- (50,000 Equity Share of Rupees 10/- each fully paid up) | 18,40,00,340/- (9,20,00,170 Equity shares of Rupees 2/- each fully paid up) | 18,40,00,340/- (1,84,00,034 Equity shares of Rupees 10/- each fully paid up) |

9. Pre and Post Scheme of Arrangement – Shareholding Pattern as on date of this Notice of Shareholders Meeting:

A. For Demerged Company

Equity Shareholders:

| Category of shareholder | Pre | | Post | |
|--------------------------|--------------------|---------------|--------------------|---------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Promoter/ Promoter Group | 5,19,91,499 | 56.51 | 5,19,91,499 | 56.51 |
| Public | 4,00,08,671 | 43.49 | 4,00,08,671 | 43.49 |
| Total | 9,20,00,170 | 100.00 | 9,20,00,170 | 100.00 |

B. For Resulting Company

Equity Shareholders:

| Category of shareholder | Pre | | Post | |
|--------------------------|---------------|---------------|-------------------|---------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Promoter/ Promoter Group | 50,000 | 100.00 | 10,398,300 | 56.51 |
| Public | - | - | 8,001,734 | 43.49 |
| Total | 50,000 | 100.00 | 18,400,034 | 100.00 |

The detailed Pre and Post Scheme of Arrangement Shareholding Pattern of the Demerged Company and Resulting Company are annexed herewith.

10. Summary of Share Entitlement Report and Fairness Opinion:

- A. Share Entitlement Report dated August 07, 2025 issued by Axiology Valuetech Private Limited – Registered Valuer and Fairness Opinion dated August 07, 2025 issued by SEBI Registered Category–I, Merchant Banker namely Corporate Professionals Capital Private Limited. Share Exchange Ratio is as under –

“1 (One) Equity Share of K M Spirits and Allied Industries Limited of face value of INR 10/- each fully paid up for every 5 (Five) equity shares of K M Sugar of face value of INR 2/- each fully paid up.”

B. Basis of Valuation and Fairness Opinion:

Under the Proposed Scheme, the Demerged Undertaking of the Demerged Company will be transferred to the Resulting Company. At present, the Demerged Company holds 100% of the equity share capital of the Resulting Company.

Upon implementation of the Scheme, all equity shares of the Resulting Company held by the Demerged Company shall stand cancelled. The Resulting Company will then issue/allot its equity shares to the shareholders of the Demerged Company, in the same proportion as their existing shareholding in the Demerged Company, based on the share entitlement ratio provided in Part III of the Scheme. Consequently, the shareholding of the shareholders in the Resulting Company will mirror their shareholding in the Demerged Company. Hence, as per SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, a valuation report is not required to be issued in the present case. Accordingly, no valuation of the Demerged Undertaking, Demerged Company or Resulting Company has been undertaken and the valuation frameworks prescribed under the BSE and NSE circulars are not applicable.

Thus, considering that the entire equity share capital of the Resulting Company is presently held by the Demerged Company and that, upon implementation of the Scheme, such shareholding shall stand cancelled and the Resulting Company shall issue equity shares directly to the shareholders of the Demerged Company in the same proportion as their existing shareholding therein, the post-Scheme shareholding of the Resulting Company shall exactly mirror the shareholding of the Demerged Company. In view thereof, the Share Entitlement Ratio provided under the Scheme, being **1 (One) Equity Share of the Resulting Company of face value of INR 10/- each fully paid up for every 5 (Five) equity shares of Demerged Company of face value of INR 2/- each fully paid up**, is fair, reasonable and appropriate.

Further, refer the Share Entitlement Report and Fairness Opinion annexed with this Notice, for the complete details including the basis of valuation, methodologies adopted, share exchange ratio etc.

11. There is no Capital/ Debt Restructuring in the Scheme.

12. Effect of the Scheme on Stakeholders

The effect of the Scheme on various stakeholders is summarized below:

A. Shareholders, promoter and non-promoter shareholders

The Company only has equity shareholders and does not have any preference shareholders. Pursuant to the Scheme there shall be no change in the Equity Share Capital of the Company.

Upon the Scheme becoming effective and in consideration of the demerger, transfer and vesting of the **Distillery Division** (as defined under the Scheme) the Resulting Company shall issue and allot its equity shares to shareholders of the Company in the following ratio:

“1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the ‘Resulting Company’ for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company (“Share Entitlement Ratio”).”

The Scheme is expected to have several benefits for the Company, as indicated in the rationale of the Scheme set out therein and is expected to be in the best interest of the shareholders of the Company.

B. Directors and Key Managerial Personnel (KMP)

The KMP and Directors of the Company will continue to hold their respective positions following the effectiveness of the Scheme.

Further, those KMP and Directors who are also shareholders will retain their shareholding in the Company and will be issued equity shares in the Resulting Company in accordance with the Share Entitlement Ratio specified in the Scheme.

C. Employees

All employees of the Demerged Undertaking shall, upon the Scheme becoming effective, stand transferred to the Resulting Company on the same terms and conditions of employment, without interruption of service.

Past service with the Demerged Company shall be recognised for all retirement retrenchment and terminal benefits.

All statutory and other employee benefit funds, including provident fund, gratuity, pension and ESI, relating to such employees shall be transferred to, continued by or maintained by the Resulting Company in accordance with applicable law.

D. Creditors

The Scheme will have no prejudicial effect on the Creditors of the Scheme. No compromise is proposed to any creditors of the Company under the Scheme. Upon the effectiveness of the Scheme, the liabilities pertaining to the Demerged Undertaking shall be transferred to and discharged by the Resulting Company and there is no reduction or extinguishment of such liabilities. The Resulting Company shall honour these obligations in the ordinary course of its business. Further, the Demerged Company will continue to discharge its obligations with respect to the remaining undertaking without any interruption.

E. Debenture holders, and Debenture Trustees Depositors and Deposit Trustees

The Company has neither accepted any deposits nor issued any debentures. Accordingly, there are no related implications under the Scheme.

13. Effect of compromise or arrangement on material interests of Directors, Key Managerial Personnel (KMP) and Debenture Trustee.

The Scheme does not have any effect on the material interests of the Directors, Key Managerial Personnel and Debenture Trustee.

None of the Directors, KMPs (as defined under the Act and rules framed thereunder) of the Demerged Company and Resulting Company along with their respective relatives (as defined under the Act and rules framed thereunder) have any material interest in the Scheme except to the extent of their respective shareholding in the Demerged Company and Resulting Company, if any.

Further, the Company has not issued any debentures. Accordingly, there are no related implications under the Scheme.

14. The Rationale and Benefit of the Scheme:

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and (2) Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

1. Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
2. Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities as a separate entity.

3. The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (as defined hereinafter) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.
4. In order to provide enhanced focus to the operations of the Demerged Undertaking, the Companies have proposed to segregate and organise the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:
 - i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.
 - ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
 - iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.
 - iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
 - v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
 - vi. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
 - vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent, and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.

15. Salient features of the Scheme are:

1. Appointed Date means April 01, 2026 or such other date as may be approved by the Hon'ble National Company Law Tribunal of the relevant jurisdiction or by such other competent authority having jurisdiction over the Demerged Company and the Resulting Company.
2. Effective Date means the date or the last date of the dates on which all the conditions and matters referred to in Clause 4.2 of the proposed Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme.
3. References in this Scheme to the “date of coming into force of this Scheme” or “upon the Scheme becoming effective” or effectiveness of the Scheme” shall mean the effective date.

4. The Scheme is divided into the following parts:

Part I – This part of the Scheme sets forth the definitions, capital structure of the Demerged Company and Resulting Company, date of taking effect and implementation of this Scheme.;

Part II – This part of the Scheme deals with Transfer and Vesting of Demerged Undertaking of K M Sugar Mills Limited (“Demerged Company”) into K M Spirits and Allied Industries Limited (“Resulting Company”) on a going concern basis, in accordance with the provisions of Section 230-232 of the Companies Act, 2013 and in accordance with Section 2(19AA) and other applicable provisions of the IT Act;

Part III – This part of the Scheme deals with the issuance of shares by the Resulting Company, to the shareholders of the Demerged Company and the Accounting Treatment adopted for the Demerger;

Part IV – This part of the Scheme contains the general terms and conditions as applicable and sets forth certain miscellaneous provisions that form a part of this Scheme.

5. Pursuant to the Scheme, upon the coming into effect of the Scheme and with effect from the Appointed Date, all the business, undertakings, activities, operations and properties of the Demerged Company relating to the Distillery Division i.e. the Demerged Undertaking, shall stand transferred to and vested in the Resulting Company, on a going concern, together with all its properties, assets, rights, titles, benefits, liabilities, obligations and interest therein.
6. All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking and in service as on the Effective Date shall become employees of the Resulting Company, without any break or interruption in service, and on terms and conditions of employment which shall not be less favorable than those applicable to them immediately prior to the Demerger.

7. Upon this Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company, the Resulting Company shall, without any further application, act or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the shareholders of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the register of shareholders and records of the depository as shareholders of the Demerged Company as on the Record Date, as under:

“1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the ‘Resulting Company’ for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company (“Share Entitlement Ratio”).”

8. The equity shares issued by the Resulting Company to the eligible shareholders of the Demerged Company in terms of the Scheme shall be listed and admitted to trading on the Stock Exchanges where the equity shares of KMSM are listed and admitted to trading in terms of Rule 19(7) of the Securities Contract (Regulation) Rules, 1957 and other applicable rules/ regulations subject to the approval/exemption from SEBI. The Resulting Company shall take all necessary steps for such listing, including making applications to Stock Exchanges and providing requisite confirmations, undertakings and approvals, including seeking exemption from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as may be required under applicable law.
9. The Scheme is conditional upon and subject to approval of the Scheme by the requisite majority of shareholders and creditors of the Demerged Company and the Resulting Company as may be directed by the Hon’ble National Company Law Tribunal (“NCLT”) and in accordance with applicable law, sanction of the Scheme by the Hon’ble NCLT under Sections 230 to 232 of the Companies Act, 2013, filing of certified copies of the NCLT order(s) with the Registrar of Companies of the relevant jurisdiction(s), compliance with the SEBI Master Circular and other applicable regulatory requirements.
10. All costs, charges, taxes, including duties, levies and all other expenses arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto shall be borne by the Demerged Company and Resulting Company as may be mutually agreed between the Companies.
11. The Board of Directors of the Demerged Company and Resulting Company shall be authorised to assent to any modifications or amendments to the Scheme or to any conditions or limitations that the Hon’ble NCLT or any other competent authority may deem fit to direct or impose or that may otherwise be considered necessary, desirable or appropriate by them for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. In the event the Scheme does not become effective, it shall stand revoked and be of no effect, and no rights or liabilities shall arise thereunder.

For the complete details and features of the Scheme, refer the Scheme of Arrangement annexed to this Notice and Explanatory Statement.

16. The Demerged Company and Resulting Company have filed a joint application before the Hon'ble National Company Law Tribunal ("NCLT"/ "Tribunal"), Allahabad Bench, as per Rule 3(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for the sanction of the Scheme of Arrangement under the provisions of Section 230-232 of the Companies Act, 2013.
17. There is no likelihood that any Secured Creditor or Unsecured creditor of the Demerged Company and Resulting Company would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
18. Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters, and directors including the details of investigation or proceedings pending under the Act against the companies involved in the Scheme are annexed to this notice.
19. The Auditors of the Demerged Company and the Resulting Company have confirmed that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.
20. This statement is being furnished as required under Sections 230(5), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
21. The notice pursuant to Section 230(5) of the Companies Act, 2013 in the prescribed format along with Explanatory statement, a copy of the Scheme of Arrangement and the disclosures provided herewith will be served within the prescribed time on the Statutory Authorities, as applicable.
22. **Additional information sought by the Stock Exchanges vide their respective Observation Letters:**
 - (i) Need for the demerger, rationale of the scheme, synergies of business of the entities involved in the scheme have been stated in Para No. 14 of this Notice. Impact of the scheme on the shareholders and cost benefit analysis of the scheme been detailed in the Audit Committee report annexed herewith.
 - (ii) Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion is detailed in Para No. 10 of this Notice. Further, details of the summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods along with the basis for arriving at the share swap ratio has been stated in the Share Entitlement Report annexed herewith.
 - (iii) Pre and Post Scheme shareholding of KM Sugar (Demerged Company) and KM Spirits (Resulting Company) as on the date of this notice of Unsecured Creditors Meeting is detailed in Para No. 9 of this Notice. Additionally, no changes have occurred between filing of the Draft Scheme to Notice to Shareholders.

- (iv) Capital built-up of KM Sugar and KM Spirits since incorporation and last 3 years is as follows:

Demerged Company

| S. No. | Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No. of shares) | Whether listed, if not listed, give reasons thereof |
|--------|---------------|----------------------|-------------------|--|------------------------------------|---|
| 1. | 17-12-1971 | 18,000 | 100 | Subscription to MOA | 18,000 | All the shares of the Company are Listed |
| 2. | 25-02-1984 | 5,000 | 100 | Redemption of Preference shares | 23,000 | |
| 3. | 28-01-1988 | 23,000 | - | Bonus Issue | 46,000 | |
| 4. | 22-07-1988 | 5,000 | 100 | Right Issue | 51,000 | |
| 5. | 13-08-1994 | 5,10,000 | 10 | Share Split | 5,10,000 | |
| 6. | 13-08-1994 | 25,50,000 | - | Bonus Issue | 30,60,000 | |
| 7. | 24-03-2005 | 9,40,000 | 10 | Further Issue | 40,00,000 | |
| 8. | 31-03-2005 | 80,00,000 | - | Bonus Issue | 1,20,00,000 | |
| 9. | 09-11-2005 | 64,00,034 | 10 | IPO | 1,84,00,034 | |
| 10. | 08-03-2010 | 9,20,00,170 | 2 | Share Split | 9,20,00,170 | |

Resulting Company

| S. No. | Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No. of shares) | Whether listed, if not listed, give reasons thereof |
|--------|---------------|----------------------|-------------------|--|------------------------------------|---|
| 1. | 23-02-2018 | 50,000 | 10 | Subscription to MOA | 50,000 | Unlisted |

- (v) Details of Revenue, PAT and EBIDTA of KM Sugar and KM Spirits for last 3 years:

(Rs. In Lakhs)

| | Financial Year 2022 - 2023 | | | Financial Year 2023 - 2024 | | | Financial Year 2024 - 2025 | | |
|--------------------------|----------------------------|---------|---------|----------------------------|---------|---------|----------------------------|---------|---------|
| | Revenue | PAT | EBIDTA | Revenue | PAT | EBIDTA | Revenue | PAT | EBIDTA |
| Demerged Company | 57552.55 | 2321.38 | 6105.68 | 65715.93 | 2809.14 | 7824.43 | 65900.52 | 3555.09 | 8905.10 |
| Resulting Company | 0.00 | 0.11 | 0.14 | 0.00 | 0.15 | 0.19 | 0.00 | 0.14 | 0.18 |

- (vi) Value of Assets and liabilities of KM Sugar (Demerged Company) that are being transferred to KM Spirits (Resulting Company) and post-demerger balance sheet of KM Spirits is detailed below:

| Particulars | Demerged Undertaking (As on June 30, 2025) | Resulting Company (KM Spirits and Allied Industries Limited) | |
|-------------|---|---|----------------------|
| | | (Pre) (As on June 30, 2025) | (Post) (Proposed) |
| Assets | 88.93 | 0.056 | 88.93 |
| Liabilities | 25.75 | 0.002 | 25.75 |

- (vii) Details of Demerged Undertaking of KM Sugar (Demerged Company) and their value as per the audited balance sheet that is being demerged into KM Spirits (Resulting Company).

Details of the Demerged Undertaking – K M Sugar Mills Limited established its Distillery, unit in year 1995 situated in Ayodhya (U.P.), having capacity of 45 KLPD for the production of RS & ENA. In the year 2000 Distillery established an Ethanol Plant of 37.50 KLPD for supply of Ethanol to OMC's under the Central government Ethanol blending Program. Later, in the year 2018 a new ethanol plant established with capacity of 47.30 KLPD and new MPR RS Plant & ENA Plant of 50 KLPD and 30 KLPD established in year 2021.

For business expansion in other segment of same field Distillery Unit entered in Production & sale of Country Liquor in Year 2021 and growing day by day. The Distillery Unit has been selling ethanol to Oil Companies for blending in Petrol as per the policy of the Central Government. For ethanol sell, the Company participates in tender floated by major oil Companies.

| Particulars | Demerged Undertaking (As on March 31, 2025) |
|-------------|--|
| Assets | 85.59 |
| Liabilities | 24.47 |
| Networth | 61.12 |

- (viii) Details of potential benefits and risks associated with the Demerger.
The proposed demerger is expected to facilitate operational efficiency by segregating the Distillery Division into a dedicated entity, enabling each business to pursue its distinct strategic priorities in line with its specific industry dynamics. It is likely to enhance transparency and allow stakeholders to better assess the performance and value of each business independently, thereby supporting informed decision-making. The independent listing of the Resulting Company may unlock shareholder value and provide flexibility to investors to participate in a dedicated distillery business.

The Demerger entails standard transition-related activities such as operational alignment and regulatory processes, which are inherent to such restructuring exercises. These are expected to be effectively managed through structured implementation, ensuring smooth continuity and long-term value creation.

- (ix) Financial implication of Demerger on Promoters, Public Shareholders and the companies involved in the scheme along with future growth prospects of KM Sugar and KM Spirits pursuant to demerger.
 - a) Pursuant to the Scheme, the promoters and public shareholders of the Demerged Company will be allotted equity shares in the Resulting Company in the same proportion as their existing shareholding. Accordingly, their overall ownership and economic interest will remain unchanged, while they will now hold shares in two separate companies, enabling them to benefit from the performance and value creation of both businesses separately.
 - b) The Distillery Undertaking (*as defined in the scheme*), along with all its assets, liabilities and operations, will be transferred from the Demerged Company to the Resulting Company on a going-concern basis. Post Demerger, both companies will operate independently with separate financials and focused business activities, leading to better management efficiency, improved transparency and more effective utilization of resources.
 - c) After the Demerger, K M Sugar Mills Limited will focus on its core sugar business, improving operational efficiency, while K M Spirits and Allied Industries Limited will focus on the distillery segment and capitalize on growing opportunities in Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA) and related products. This focused approach is expected to enhance growth potential, attract investors and create long-term value for all stakeholders.
- (x) All pending actions against the entities involved in the scheme its promoters/directors/KMPs and possible impact of the same on the KM Spirits and on the public shareholders.
NIL
- (xi) Additional information/ documents submitted to BSE Limited and National Stock Exchange of India Limited i.e., applicable additional information and Annexure M, respectively is annexed herewith.

23. Inspection and obtaining of extract of documents:

Inspection of the following documents will be available at the Registered Office of the Demerged Company:

1. Copy of the NCLT order dated March 24, 2026;
2. Copy of the Scheme of Arrangement for Demerger;
3. Copies of Audited Financial Statements of Demerged Company and Resulting Company for the financial years ended on March 31, 2025 respectively;
4. Copies of Provisional Financial Statements of Demerged Company and Resulting Company for the period ended on December 31, 2025;
5. Contracts or agreements material to the proposed compromise or arrangement;
6. Copy of the Reports of Board of Directors of the respective Demerged Company and Resulting Company on the impact of Scheme on Directors and employee, pursuant to the provisions of Section 232(2) (c) of the Companies Act, 2013;
7. Copy of the certificate issued by the Statutory Auditor of the respective Demerged Company and Resulting Company for compliance with the applicable Accounting Standards under Section 133 of the Companies Act, 2013;

8. Copy of the Share Entitlement Report dated August 07, 2025 issued by Axiology Valuetech Private. Limited – Registered Valuer, along with the copy of Fairness Opinion dated August 07, 2025 issued by Corporate Professionals Capital Private Limited;
9. Copy of the Board Resolution passed by the Board of Directors of each of the companies in respect of the approval of the Scheme of Arrangement.

Date: 18.04.2026

Place: Chandigarh

Sd/-

**Sri Harnam Singh Thakur, Former Judicial Member, NCLT Chandigarh
Chairperson appointed vide NCLT Order for the Meeting of
Unsecured Creditors of K M Sugar Mills Limited**

**KINDLY SCAN THE QR CODE BELOW OR CLICK ON THE LINK TO VIEW THE
DETAILED NOTICE**

Link - <https://www.kmsugar.com/wp-content/uploads/2026/04/notice-of-meeting-of-creditors.pdf>



SCHEME OF ARRANGEMENT FOR DEMERGER BETWEEN

K M SUGAR MILLS LIMITED
("DEMERGED COMPANY" or "KMSM")

AND

K M SPIRITS AND ALLIED INDUSTRIES LIMITED
("RESULTING COMPANY" or "KMSAIL")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013)



PREAMBLE OF THE SCHEME

A. AN OVERVIEW OF THE SCHEME OF ARRANGEMENT

1. This Scheme of Arrangement for Demerger (*as defined hereinafter*) of Distillery Division ("Demerged Undertaking") (*as defined hereinafter*) of K M Sugar Mills Limited ("Demerged Company") (*as defined hereinafter*) into K M Spirits and Allied Industries Limited ("Resulting Company") (*as defined hereinafter*) on a going concern basis, is presented under the provisions of Section 230 -232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 as may be applicable and in accordance with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961.
2. Presently, the Resulting Company is the wholly owned subsidiary of the Demerged Company, and pursuant to the effectiveness of the Scheme, all the equity shares of the Resulting Company as held by the Demerged Company shall stand cancelled, and the Resulting Company shall have replica shareholding as that of the Demerged Company.
3. In consideration of the transfer of the Demerged Undertaking by the Demerged Company, the Resulting Company shall issue its equity shares to the shareholders of the Demerged Company, in the same proportion in which they hold the equity shares in the Demerged Company, on the basis of the share entitlement ratio, as provided in Part 3 of this Scheme of Arrangement.
4. The equity shares of the Resulting Company will be listed and/or admitted to trading on the BSE and NSE, which have nationwide trading terminals.
5. In addition, this Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected herewith.



B. BACKGROUND AND DESCRIPTION OF COMPANIES

- 1. K M SUGAR MILLS LIMITED (hereinafter also referred to as 'KMSM' or 'Demerged Company')**, bearing CIN L15421UP1971PLC003492 was incorporated on December 17, 1971, under the provisions of Companies Act, 1956 as a private company with the name & style of "K M Sugar Mills Private Limited" under the jurisdiction of Registrar of Companies, Kanpur (Uttar Pradesh). Subsequently, on April 20, 2005, the name of the Demerged Company was changed to its present name, i.e., "K M Sugar Mills Limited", pursuant to obtaining the status of a Public Company. The Registered office of the Demerged Company is presently situated at 76, Eldeco Greens, Gominagar, Lucknow, Uttar Pradesh - 226010. In accordance with the main objects of the memorandum of association, the Demerged Company is engaged in a diversified business of manufacturing and selling sugar and other businesses, including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and Distillery business, manufacturing, selling and distributing, the Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). Further, the main objects of the memorandum of association also permit the company to carry on the business in the field of mineral water, beverages, laminates, boards, fertilizers, power and to utilize the by-products in related ventures. The Equity Shares of the Demerged Company are listed on the bourses of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
- 2. K M SPIRITS AND ALLIED INDUSTRIES LIMITED (hereinafter also referred to as 'KMSAIL' or 'Resulting Company')** bearing CIN U15100UP2018PLC101321 was incorporated on February 23, 2018, under the provisions of Companies Act, 2013 as a public limited company with the name & style of "K M Spirits and Allied Industries Limited" under the jurisdiction of Registrar of Companies, Kanpur. The Registered office of the Resulting Company is presently situated at 76, Eldeco Greens, Gominagar, Lucknow, Uttar Pradesh - 226010. The main object of the memorandum of association of the Resulting Company includes the manufacturing, packaging, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA), other alcoholic beverages. Further, the main objects of the memorandum of association of the

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Resulting Company also permit the company to carry on the business in the field of energy and related consultancy services. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

C. RATIONALE FOR THE SCHEME OF ARRANGEMENT

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ("Sugar Manufacturing Division") and (2) Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

1. Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
2. Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities as a separate entity.
3. The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (*as defined hereinafter*) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.
4. In order to provide enhanced focus to the operations of the Demerged Undertaking, the Companies have proposed to segregate and organise the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:
 - i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of

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an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.

- ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
- iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.
- iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
- v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
- vi. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
- vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent, and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.



- D. Accordingly, the Board of Directors of the Demerged Company and the Resulting Company, have decided to make requisite applications and/or petitions before the Hon'ble NCLT, as applicable under Section 230 - 232 and other relevant provisions of the Act and in compliance with Section 2(19AA) of the IT Act, for sanction of this Scheme.
- E. The Scheme of Arrangement has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2 (19AA) of the IT Act. The Demerged Company and the Resulting Company shall comply with the provisions of Section 72A (4) and (5) of the IT Act for the transfer of unabsorbed depreciation and accumulated losses, if any, related to the Demerged Undertaking of the Demerged Company to the Resulting Company.

F. PARTS OF THE SCHEME:

Part I – This part of the Scheme sets forth the definitions, capital structure of the Demerged Company and Resulting Company, date of taking effect and implementation of this Scheme.;

Part II – This part of the Scheme deals with Transfer and Vesting of Demerged Undertaking of K M Sugar Mills Limited ("Demerged Company") into K M Spirits and Allied Industries Limited ("Resulting Company") on a going concern basis, in accordance with the provisions of Section 230-232 of the Companies Act, 2013 and in accordance with Section 2(19AA) and other applicable provisions of the IT Act;

Part III – This part of the Scheme deals with the issuance of shares by the Resulting Company, to the shareholders of the Demerged Company and the Accounting Treatment adopted for the Demerger;

Part IV – This part of the Scheme contains the general terms and conditions as applicable and sets forth certain miscellaneous provisions that form a part of this Scheme.



PART 1

GENERAL PROVISIONS

1.1 DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below:

- 1.1.1 **“Act”** means the Companies Act, 2013 including any rules, regulations, circulars, directions or guidelines issued thereunder and any statutory modifications, re-enactments or amendments thereof from time to time;
- 1.1.2 **“Applicable Laws” or “Laws”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, SEBI, court or recognized stock exchange of India or any other country or jurisdiction as applicable.
- 1.1.3 **“Appointed Date”** means April 01, 2026 or such other date as may be approved by the Hon'ble National Company Law Tribunal of the relevant jurisdiction or by such other competent authority having jurisdiction over the Demerged Company and the Resulting Company;
- 1.1.4 **“Board” or “Board of Directors”** shall mean Board of Directors of the Demerged Company or the Resulting Company, as the case may be, and unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of directors;
- 1.1.5 **“BSE”** means the BSE Limited;
- 1.1.6 **“Companies”** means the Demerged Company and Resulting Company collectively, unless



used in the context of describing any applicable law;

1.1.7 "Company" means either the Demerged Company or the Resulting Company, as the context may require or admit, and shall be construed accordingly in the relevant provisions of this Scheme;

1.1.8 "Demerged Company" or "KMSM" shall mean **K M Sugar Mills Limited, incorporated** on December 17, 1971, under the provisions of the Companies Act, 1956, having registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh – 226010;

1.1.9 "Demerged Undertaking" or "Distillery Division" means business, undertakings, properties, operations, assets and liabilities, of the Demerged Company pertaining to its Distillery business (as specifically set forth in the Schedule attached) as on the Appointed Date on a going concern basis inter alia the following:

- i. Assets and property relating to or arising from the activities and operations of the Distillery business (*As specified in the Schedule - Part -I*), whether movable or immovable (whether freehold, leasehold or licensed including manufacturing units), real or personal, corporeal or incorporeal, present, additional, contingent, tangible or intangible, including but not limited to Intellectual Property, inventory (including raw material, packaging material, work in progress inventory, goods in transit/ stored at depots or warehouses, finished products inventory, etc.), factory buildings, plant and machinery, capital work-in progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, outstanding loans, deposits, provisions, advances, receivables, funds, leases of kinds of property, licenses, tenancy rights, hire purchase and sub-lease arrangements, benefits of agreements, contracts and arrangements, insurance policies;
- ii. Investments (including shares whether in dematerialized or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) (*As Specified in the Schedule - Part -I*) pertaining to the Distillery

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Division including the investments, cash balances with the other banks, money at call and short notice, loans, advances;

- iii. Rights and licenses, Membership assignments and grants thereof, permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/ state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking (*As specified in the Schedule - Part -II*), either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company in relation to the Demerged Undertaking. Any power of attorney executed by the Demerged Company in relation to the Demerged Undertaking shall stand cancelled and simultaneously, the Resulting Company shall, where required, execute new powers of attorney to ensure uninterrupted continuity of operations and legal authority against any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of agreements, contracts and arrangements and other interests in connection with or relating to the Demerged Undertaking.
- iv. Intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames and trademarks of the Demerged Company in relation to the Distillery Division (*As specified in the Schedule - Part -I*) (including any applications for the same), including books, records, files, papers, engineering and process

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A large, stylized handwritten signature in black ink.

information, computer programs, software licenses (whether proprietary or otherwise), research and studies, technical knowhow and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier, and other records whether in physical or electronic form in connection with or pertaining to Distillery Business only;

- v. The Employees engaged in the Demerged Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, other liabilities, employee welfare benefits or other compensation or benefit, if any, whether in the event of death, retirement, retrenchment or otherwise;
- vi. Pending suits/ appeals, taxation or other proceedings, including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature pertaining to the Distillery Division (*As specified in the Schedule - Part -III*) which are capable of being continued by or against the Resulting Company under Applicable Law;
- vii. Debts, liabilities, including contingent liabilities, duties, taxes, and obligations, whether present or future, whether secured or unsecured, pertaining to the Distillery Division and/ or arising out of and/ or relating to the Demerged Undertaking (*As specified in the Schedule - Part -I*), including:
 - a. The debts, duties, liabilities, and obligations which arise out of the activities or operations of the Distillery Division*;
 - b. Specific Loans and/ or borrowing raised, incurred and/ or utilized solely for the activities or operations of the 'Distillery Division' ;
 - c. Existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Distillery Division;



A provisional Schedule of Assets and Liabilities of the Distillery Division as on June, 30, 2025 is attached hereto and marked as Schedule, which shall be subject to modification to reflect the position as existing on the Appointed Date.

- viii. Employees of the Demerged Company substantially engaged in the Demerged Undertaking and those employees who are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the Demerged Undertaking;
- ix. Advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by the Demerged Undertaking of the Demerged Company;
- x. In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the 'Distillery Division' of the Demerged Company, the same shall be decided by the Board of Directors of the Demerged Company;

1.1.10 "Demerger" means transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company on a going concern basis and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio, in compliance with the provisions of Section 2(19AA) and other relevant provisions of the IT Act;

1.1.11 "Effective Date" means the date or the last date of the dates on which all the conditions and matters referred to in Clause 4.2 of the Scheme occur or have been fulfilled, obtained



or waived, as applicable, in accordance with this Scheme.

References in this Scheme to the "date of coming into force of this Scheme" or "upon the Scheme becoming effective" or effectiveness of the Scheme" shall mean the effective date.

1.1.12 "Ind AS" shall mean the Indian Accounting Standards notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time;

1.1.13 "IT Act" means the Income-tax Act, 1961, together with all applicable orders, ordinances, directions, including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961;

1.1.14 "NCLT" or "Tribunal" or "National Company Law Tribunal" means the Hon'ble National Company Law Tribunal, having relevant jurisdiction over the respective Companies, or, as the case may be, or any other appropriate forum or authority empowered to approve the present Scheme of Arrangement as per the Applicable Law for the time being in force;

1.1.15 "NSE" means the National Stock Exchange of India Limited;

1.1.16 "Record Date" means the date which will be fixed by the Board of Directors of the Resulting Company in consultation with the Demerged Company, after the Effective Date, with reference to which the eligibility of the equity shareholders of the Demerged Company, for the purposes of issue and allotment of shares of the Resulting Company, in terms of the scheme, shall be determined;

1.1.17 "Registrar of Companies" or "RoC" means the Registrar of Companies, having relevant jurisdiction over the Companies, as the case may be;

1.1.18 "Remaining Business" means all the businesses, activities, operations, undertakings and assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking;



1.1.19 **“Resulting Company” or “KMSAIL”** shall mean ‘K M Spirits and Allied Industries Limited’, a Company incorporated on - February 23, 2018, under the provisions of the Companies Act, 2013, having registered office at 76, Eldeco Greens Gomtinagar, Uttar Pradesh – 226010;

1.1.20 **“Rules”** means Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

1.1.21 **“Rupees” or “Rs.” or “INR”** shall mean the lawful currency of the Republic of India;

1.1.22 **“Scheme” or “Scheme of Arrangement”** means this Scheme of Arrangement for Demerger of Demerged Undertaking of Demerged Company into the Resulting Company under section 230-232 of the Companies Act, 2013 as approved by the Board of Directors of the respective Companies, in its present form and with any modifications as may be approved by the NCLT or any other government authority or by the Board of the Companies in accordance with the terms thereof;

1.1.23 **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.1.24 **“SEBI LODR Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modifications or any enactment thereon;

1.1.25 **“SEBI Master Circular”** means Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI or any other circular issued by SEBI applicable to the Scheme of Arrangement for Demerger from time to time;

1.1.26 **“Stock Exchanges”** shall mean BSE Limited and National Stock Exchange of India Limited.

In this Scheme, unless the context otherwise requires, (i) words denoting the singular shall include the plural and vice versa; (ii) reference to any law or legislation or regulation shall include amendments, circulars, notifications, clarifications, or supplements to, or



replacement, re-enactment, restatement, or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and (iii) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, IT Act, or any other Applicable Laws, rules, regulations, or bye laws, as the case may be.

1.2 DATE OF EFFECT AND OPERATIVE DATE:

The Scheme set out herein in its present form or with any modification(s), if any, made as per Clause 4.3 of PART-4 of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

1.3 CAPITAL STRUCTURE:

The Capital Structure of the Demerged Company and the Resulting Company as on March 31, 2025 are as under:

1.3.1 K M SUGAR MILLS LIMITED ('Demerged Company')

| Particulars | Amount (Rs.) |
|---|---------------------|
| Authorized Share Capital 10,00,00,000 Equity Shares of Rupees 2/- each | 20,00,00,000 |
| Total | 20,00,00,000 |
| Issued, Subscribed and Paid-Up Share Capital 9,20,00,170 Equity shares of Rupees 2/- each | 18,40,00,340 |
| Total | 18,40,00,340 |

1.3.2 K M SPIRITS AND ALLIED INDUSTRIES LIMITED ('Resulting Company')

| Particulars | Amount (Rs.) |
|---|-----------------|
| Authorized Share Capital 50,000 Equity Share of Rupees 10/-each | 5,00,000 |
| TOTAL | 5,00,000 |



| | |
|---|-----------------|
| Issued, Subscribed and Paid-up Share Capital 50,000 Equity Share of Rupees 10/-each fully paid up | 5,00,000 |
| TOTAL | 5,00,000 |



PART 2

TRANSFER & VESTING OF DEMERGED UNDERTAKING

2.1 Upon this Scheme becoming effective and with effect from the Appointed Date,

2.1.1 The Demerged Undertaking shall, in accordance with the Section 2(19AA) of the IT Act, Section 230 - 232 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of law for the time being in force, and pursuant to the orders of the Hon'ble National Company Law Tribunal (s) or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand vested in the Resulting Company, on a going concern, together with its properties, assets, rights, titles, benefits, liabilities, obligations and interest **as specifically set forth in the Schedule.**

2.1.2 It is hereby clarified that, notwithstanding anything stated herein, Remaining Business (in whole or part) shall continue to belong to, remain with, vest in, and be managed by the Demerged Company, in its normal course of business.

2.2 TRANSFER OF ASSETS

Without prejudice to the generality of Clause 2.1 above:

2.2.1 Upon this Scheme becoming effective and with effect from the Appointed Date, any assets relating to the Demerged Undertaking (*As specified in the Schedule - Part -I*) that are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed subject to the provisions of this scheme in relation to encumbrances in favour of banks and / or financial institutions, if any. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or



endorsement, as appropriate to the property being vested, and shall be deemed to have been transferred accordingly.

- 2.2.2 Upon this Scheme becoming effective and with effect from the Appointed Date, *all other movable assets* of the Demerged Company relating to the business of Demerged Undertaking (*As specified in the Schedule - Part -I*) excluding those specified in sub-clause 2.2.1 above, i.e. Sundry Debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash & bank balances and deposits, shall without any further act, instrument or deed, become the property of the Resulting Company
- 2.2.3 Upon the coming into effect of this Scheme and with effect from the Appointed Date, contracts, agreements, memorandum of undertakings, memorandum of agreements, letters of agreed points, arrangements, undertakings, deeds, bonds, schemes, arrangements, if any and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company are a party or to the benefits, rights, duties and liabilities of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favor of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- 2.2.4 Upon this Scheme becoming effective and with effect from the Appointed Date, assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date pertaining to the Demerged Undertaking as decided by the Board of Directors of the demerged company be transferred to and vested in the Resulting Company.
- 2.2.5 Upon this Scheme becoming effective and with effect from the Appointed Date, immovable properties , of the Demerged Company, whether freehold or leasehold or licensed properties (including but not limited to capital works in progress, land, buildings, and any other rights, titles, interests, and easements in relation thereto) forming part of the Demerged Undertaking (*As specified in the Schedule - Part -I*) shall



become the property of the Resulting Company and be vested in the Resulting Company or be deemed to have been so, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company subject to obtaining necessary approvals, permissions, payment or consents of the Government of Uttar Pradesh or any other relevant authority.

2.2.6 Without prejudice to the generality of Clause 2.2.5 above, upon this Scheme becoming effective and with effect from the Appointed Date, the rights, interests and claims of the Demerged Undertaking in the leasehold property shall be sub leased to Resulting Company after making necessary payments as per the terms of Sub-lease deed and subject to obtaining necessary approvals, permissions, Payment or consents of the Government of Uttar Pradesh or any other relevant authority, as specified in Part - I of the Schedule annexed hereto.

2.2.7 Upon this Scheme becoming effective and with effect from the Appointed Date, Intellectual Property and rights thereto of the Demerged Company that exclusively forms part of the Distillery Division (*As specified in the Schedule - Part -I*), whether registered or unregistered, along with rights of commercial nature including attached goodwill, title, interest, and other interests relating to the goods or services and forming part of the Demerged Undertaking, shall become the property of and/or stand vested in, the Resulting Company. Further, the Resulting Company is hereby granted the right to use the word "KM", as associated with the Demerged Undertaking, in connection with its corporate name, brand names, trademarks, products, programmes, or services, whether present or future. This right is limited to the use of the word "KM" alone in relation to the distillery business and does not extend to, nor confer any entitlement to, the use of any other logo or trademark of the Demerged Company. The Companies may enter into appropriate arrangements in respect of the use or license, for no charge, by the Demerged Company of the Intellectual Property which is transferred to the Resulting Company under this Scheme or vice versa for such transition period or on a long-term basis as the Boards may deem fit.

2.2.8 Upon the coming into effect of this Scheme and with effect from the Appointed Date,



statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities (*As specified in the Schedule - Part -I & II*), in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company and the Resulting Company.

- 2.2.9 In so far as various incentives, subsidies, exemptions, remissions, reductions, indirect Tax related benefits, including GST benefits, service Tax benefits, indirect Tax related assets/credits, including but not limited to goods and service Tax input credits (if transferable), credits or set-off, TDS/TCS credits or set-off (to the extent remaining unutilized on the Appointed Date), income Tax holiday/ benefits/ losses/ minimum alternative Tax and other benefits or exemptions or privileges enjoyed (to the extent remaining unutilized on the Appointed Date), granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, together with any corresponding obligations, without any further act or deed, in so far as they relate to the business of Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company related to the business of Demerged Undertaking to recover or realize the same, shall become the right of the Resulting Company and/or stands vested in the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 2.2.10 On and from the Effective Date, cheques, other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.), and payment orders received or presented for encashment in the name of the Demerged Company, in connection with the business of the Demerged Undertaking, shall be accepted by the Demerged Company in trust of the Resulting Company. Further, the Demerged Company shall make necessary arrangements to ensure that such instruments/electronic transfers are promptly transferred to and deposited into the designated bank account(s) of the Resulting Company, including any existing or future accounts maintained by the



Resulting Company.

2.2.11 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sales of distillery products and its inventory manufactured and / or branded and / or labelled and / or packed in the name of the Demerged Company prior to the Effective Date insofar as they relate to the Demerged Undertaking, the Resulting Company shall have right to own, use, market, sell, exhaust or to in any manner deal with such products and inventory (including packing material) pertaining to the Demerged Company at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and / or their branding, packing or labelling . All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resulting Company after the effective date.

Notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Demerged Undertaking in favour of the Resulting Company, the Boards of the Demerged Company and the Resulting Company may at any time on or after the Effective Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.

2.3 TRANSFER OF LIABILITIES AND RELATED SECURITIES/ CHARGES

Without prejudice to the generality of Clause 2.1 above, upon this Scheme becoming effective and with effect from the Appointed Date:

2.3.1 All debts, liabilities, contingent liabilities, duties, loans, borrowings and obligations (including debenture, bonds, notes and other debt securities), secured or unsecured, bank/ performance guarantees, letter of credit including contingent liabilities, whether



provided for or not in the books of accounts or disclosed in the balance sheets of the Demerged Company, in relation to and pertaining to the business of Demerged Undertaking (*As specified in the Schedule - Part -I*), shall without any further act, instrument or deed or wherever required after following the due process prescribed by concerned lenders/creditors, be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Resulting Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company.

2.3.2 Charges, mortgages, hypothecations, liens, encumbrances, security interests, borrowings, and investment limits, of any nature whatsoever, which are created, undertaken, or availed of by the Demerged Company on the assets and properties forming part of the Demerged Undertaking, shall, without any further act, instrument, deed or approval, stand transferred to and be deemed to have vested in the Resulting Company, and shall be enforceable against or in relation to the assets and properties forming part of the Demerged Undertaking, in the same manner and to the same extent as they were enforceable against the Demerged Company prior to the effectiveness of this Scheme.

2.3.3 Notwithstanding the Scheme becoming effective, any charges, mortgages, hypothecations, liens, encumbrances, or other security interests created by the Demerged Company on the Remaining Business in relation to the Demerged Liabilities or any charges, mortgages, hypothecations, liens, encumbrances, or other security interests created by the Demerged Company on the assets of the Demerged Undertaking in relation to the Remaining Business, shall continue until the release of the respective charges, mortgages, hypothecations, liens, encumbrances, or other security interests by respective lender/creditors, on fulfilment of the terms and conditions as the lenders/creditors may specify in relation thereto. Until the release of these securities in terms of this Scheme, the existing security arrangements on the assets of the demerged undertaking in relation to the Remaining Business shall remain valid and enforceable.



- 2.3.4 The Resulting Company shall have its own borrowing, security creation, and investment limits, independent of the Demerged Company. The Resulting Company shall obtain necessary approvals from its shareholders for any future enhancement of the above limits, as required under the Act and applicable laws.
- 2.3.5 Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company, if required, may separately execute any instruments or documents or do acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the ROC to give formal effect to the above provisions with the Resulting Company.
- 2.3.6 Where any of the Transferred Liabilities (*As specified in the Schedule - Part -I*) have been partially or duly discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company and liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking which forms a part of the Demerged Company after the Appoint Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred/vested to the Resulting Company and shall become the liabilities and obligations of the Resulting Company.
- 2.3.7 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company, alone shall be liable to perform obligations towards their respective Transferred Liabilities, and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf.
- It is expressly provided that save as mentioned in this Clause, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 2.3.8 It is clarified that any obligations, liabilities, undertakings, or covenants relating to the specified contingent liabilities, as defined hereinbelow, pertaining to the period prior to



the Appointed Date shall, upon the Scheme becoming effective, be deemed to have been severally assumed by the Demerged Company and the Resulting Company in two third and one third proportion, respectively, under this Scheme. The parties shall cooperate to ensure that requisite modifications, novations, or consents are obtained, where required, to give effect to such segregation of obligations. Nothing in this Scheme shall be construed as prejudicing the rights of any third-party creditor or lender as against either company, save as provided herein or as otherwise agreed in writing.

Explanation: "Specified Contingent Liabilities" means the liabilities which are due or may crystallise under the Income Tax Act, 1961, (in respect of matters pending before the Commissioner, Appeal and Income Tax Appellate Tribunal) interest on cane price and commission thereon, sugar export and Country Liquor matters (Bihar) on account of business transactions undertaken by the Demerged Company on or before Appointed date.

2.3.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble National Company Law Tribunal, shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

2.3.10 Any amount or expense incurred by the Demerged Company in relation to the Demerged Undertaking, including for any supply of goods, provision of services, or other consideration, prior to the Effective Date, shall be treated as a liability of the Resulting Company. The Resulting Company shall be responsible for reimbursing or settling such amounts with the Demerged Company, and such liabilities shall be discharged accordingly by the Resulting Company and the Demerged Company shall stand indemnified.

2.4 EMPLOYEE MATTERS

2.4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the services of all employees of the Demerged Company employed in the Demerged Undertaking shall stand transferred to the Resulting Company, on the same terms and conditions at which these employees were engaged by the Demerged Company without



any interruption of service as a result of the transfer. The Resulting Company also undertake to accept and abide by any change in terms and conditions that may be agreed/ affected by the Demerged Company with all their respective Employees between the Appointed Date and the Effective Date.

2.4.2 The Resulting Company agrees that the services of all such respective employees with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits payable by the Resulting Company to their employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

2.4.3 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the Employees related to the respective Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are preferable to the Employees related to each of the Demerged Undertaking, being transferred to the Resulting Company, in terms of Sub Clause 2.4.1 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme. The Resulting Company in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant funds of the Demerged Company, until such time that it create its own fund, at which time the funds and the investments and contributions pertaining to the Employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.



2.5 LEGAL PROCEEDING

2.5.1 Upon the Scheme becoming effective, all legal, regulatory, and other proceedings (including those pending before any statutory, quasi-judicial, or judicial authority or tribunal) relating to the Demerged Undertaking, of any nature whatsoever, instituted by or against the Demerged Company and pending as on the Effective Date, shall not stand abated, discontinued, or prejudicially affected by reason of this Scheme and such proceedings shall be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as they would have been continued, prosecuted and enforced by or against the Demerged Company, had this Scheme not been implemented.

The Resulting Company shall, do all act, deed, or instrument, necessary to be substituted in place of the Demerged Company in all such proceedings relating to or in connection with the Demerged Undertaking (as more particularly described in Schedule Part III), and shall be entitled to prosecute, defend, and enforce such proceedings in its own name, to the complete exclusion of the Demerged Company. The Resulting Company shall indemnify and hold harmless the Demerged Company from and against any and all legal claims, actions, proceedings, liabilities, costs, and expenses arising out of or in connection with the Demerged Undertaking, from the Appointed Date whether existing prior to or arising after the Effective Date, to the full extent permitted by law.

2.5.2 The Resulting company shall also deal with legal or other proceedings, which may be initiated by or against the Demerged Undertaking or the Resulting Company after the Effective Date but relating to the Demerged Undertaking, in respect of the period up to the Effective Date, in their own name and account and to the extent possible, to the exclusion of the Demerged Company. The Resulting Company shall pay amounts, including interest, penalties, damages, etc., which the Demerged Company may be called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking, for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the Demerged Company in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period commencing on the Appointed Date and ending on the

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Effective Date shall be reimbursed by the Resulting Company, upon submission of necessary evidence of having incurred such costs by the Demerged Company to the Resulting Company.

2.6 TAXATION AND OTHER PROVISIONS

- 2.6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the profits or income accruing or arising to the Demerged Undertaking, and expenditure or losses arising or incurred by the Demerged Undertaking shall, for purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Resulting Company. Moreover, the Resulting Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/Goods and Service Tax (GST) / excise, etc. and to claim refund/credits and/or set off amounts under the relevant applicable laws, towards the transactions entered by it and Demerged Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the returns and to claim refunds/credits are expressly reserved in favour of the Resulting Company.
- 2.6.2 Both the Companies shall be entitled to revise its statutory returns relating to direct taxes, Income tax, and to claim refunds/advance tax credits and/or set off the tax liabilities of the Demerged Undertaking, under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- 2.6.3 It is expressly clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, taxes payable with respect to the Demerged Undertaking, including or any refunds of the claims/TDS Certificates, shall be treated as the tax liability or refunds/claims/TDS Certificates, as the case may be, of the Resulting Company.
- 2.6.4 Since each of the permissions, approvals, consents, sanctions, remissions, special



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reservations, incentives, concessions and other authorizations of the Demerged Undertaking shall stand transferred by the order of the NCLT to the Resulting Company, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning NCLT.

2.7 CONDUCT OF BUSINESS

2.7.1 During the period between the approval of the Scheme by the Board of the Demerged Company and the Resulting Company and the Effective Date:

- i. Demerged Company shall be deemed to carry on its businesses and activities and stand possessed of its properties and assets, pertaining to its Demerged Undertaking for and on account of and in trust for the Resulting Company;
- ii. Demerged Company shall carry on its businesses with reasonable diligence and in the same manner as it had been doing hitherto of the Demerged Undertaking, during the pendency of the Scheme before the NCLT of relevant jurisdiction;
- iii. Demerged Company shall not, except in the ordinary course of business or with the written concurrence of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Resulting Company, as the case may be, alienate, charge, mortgage or encumber of the Demerged Undertaking;

2.7.2 With effect from the Appointed Date and up to the Effective Date or obtaining all requisite licenses as mentioned under clause 4.2.1.5, whichever is later, the Demerged Company shall carry out the business pertaining to the Demerged Undertaking on behalf of and in trust of the Resulting Company with reasonable diligence and in the same manner as it had been doing hitherto of the Demerged Undertaking;

2.7.3 With effect from the Appointed Date and up to and including the Effective Date or obtaining all requisite licenses as mentioned under clause 4.2.1.5 whichever is later, income, expenditures including management costs, profits accruing to the Demerged Company and taxes thereof or losses arising or incurred by it relating to the Demerged



Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Resulting Company.

2.7.4 With effect from the Effective Date and subject to Clauses 2.7.2 & 2.7.3 above:-

- i. the Resulting company shall be duly authorized to carry on the business of the Demerged Undertaking, previously carried on by the Demerged Company.
- ii. the Resulting Company, unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

2.7.5 Upon the Scheme coming into effect and with effect from the Appointed Date, the Demerged Company shall, in the ordinary course of business, pursuant to and in accordance with the terms of this Scheme, continue the supply of molasses and power to the Resulting Company on mutually agreed terms & pricing formula.

2.7.6 The Demerged Company and the Resulting Company are expressly permitted to revise their Direct taxes like Income Tax, Sales Tax, VAT and other statutory returns, including, without limitation, TDS certificates and the right to claim refund, advance tax credits, etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged Company.

2.7.7 The expenses incurred by the Demerged Company and the Resulting Company in relation to the Demerger of the Demerged Undertaking, including stamp duty expenses, if any, shall be allowed as deduction to the Demerged Company and the Resulting Company in accordance with Section 35DD of the IT Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective.



- 2.7.8 From the Effective Date and till such time as the name of the Resulting Company would get entered as the account holder in respect of bank accounts and demat accounts pertaining to the Demerged Undertaking (*as specified in the Schedule*) in the relevant bank's/DP's books and records, the Resulting Company shall be entitled to operate the bank/demat/trading accounts of the Demerged Undertaking in its existing name.
- 2.7.9 Upon this Scheme being effective, the past track record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company only relating to the Demerged Undertaking for commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in existing and future bids, tenders, and contracts of authorities, agencies and clients.

2.8 OTHER PROVISIONS

- 2.8.1 The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Demerged Company, the Resulting company and the counter party concerned in relation to the Remaining Business or the Demerged Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.
- 2.8.2 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are jointly and severally authorized to file any application, declaration or other writings with the Government of Uttar Pradesh for sub-lease of the leasehold property and to give effect to this Scheme and to remove any difficulties in implementing the terms hereof with the Demerged Undertaking. Companies shall cooperate fully and execute necessary documents and perform such acts as may be required to give effect to such sub-lease in accordance with applicable laws. In the event that such approval is not granted or is subject to any conditions which materially affect the transfer, the Companies shall consult and mutually agree upon the course of



action to be adopted, including but not limited to, seeking appropriate modifications to this Scheme or such other remedies as may be permissible under applicable law to implement the intent of this Scheme to the fullest extent possible.



PART 3

ISSUE OF SHARES AND ACCOUNTING TREATMENT

3.1 ISSUANCE OF SHARES

3.1.1 Upon the coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part 2 of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot equity shares (hereinafter also referred to as the “New Shares”) credited as fully paid up equity shares, to the extent indicated below, on a proportionate basis to the members of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose name appear in the register of shareholders and records of the depository as shareholders of the Demerged Company as on a Record Date, in the ratio as under:

“1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the ‘Resulting Company’ for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company (“Share Entitlement Ratio”).”

3.1.2 The above share entitlement ratio as outlined above is duly considered and certified in the Share Entitlement Report submitted by an Independent Registered Valuer, namely, Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201).

3.1.3 The abovementioned report issued by the Registered Valuer is certified by the Independent Merchant Banker, namely Corporate Professionals Capital Private Limited, by issuance of its fairness opinion on the said share entitlement report.

3.1.4 Simultaneously, with the aforesaid allotment of equity shares by the Resulting Company upon effectiveness of the Scheme, the existing equity shares of the Resulting Company as held by the Demerged Company shall stand cancelled and the Resulting Company shall issue its fresh equity shares to the shareholders of the Demerged Company in the same proportion in which they hold the equity shares in the Demerged Company thereby



creating a replica shareholding structure in the Resulting Company.

- 3.1.5 Upon cancellation of the equity shares of the Resulting Company as held by the Demerged Company, the Resulting Company shall cease to be a wholly owned subsidiary of the Demerged Company and shall become as a separate and independent entity.
- 3.1.6 Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the entire pre-Scheme paid up share capital of the Resulting Company (held by the Demerged Company) shall stand cancelled and reduced by operation of law, without payment of any consideration or any further act or deed by either of the Demerged Company and Resulting Company, which shall be regarded as reduction of share capital of the Resulting Company pursuant to Sections 230-232 of the Act as an integral part of the Scheme. Accordingly, it shall be deemed that the members of the Resulting Company have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 66 and other provisions of the Act for giving effect to the provisions contained in this Scheme. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as a suffix to its name.
- 3.1.7 The issue and allotment of the equity shares by the Resulting Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the NCLT without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval for the issue and allotment of the equity shares by the Resulting Company under applicable provisions of the Act.
- 3.1.8 Where the Equity Shares issued by the Resulting Company pursuant to clause 3.1.1 above are to be allotted to the heirs, successors, executors or administrators, as the case may be, to successors of the deceased equity shareholders or legal representative of the equity shareholders of the Demerged Company, the concerned heirs, successors, executors, administrators or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.



- 3.1.9 The fractional entitlements, if any, arising out of allotment of equity shares as per clause 3.1.1 above shall be consolidated and held by the Trust or Trustee, nominated by the Board of Directors of the Resulting Company on behalf of shareholders of the Demerged Company entitled to fractional entitlements with the express understanding that such trustee shall sell such shares in the market at such price as the trustee may deem fit, within a period of 90 days from the date of allotment of shares as per this Scheme and the Resulting Company shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the respective Demerged Company in proportion to their respective fractional entitlements.
- 3.1.10 The said equity shares in the capital of the Resulting Company to be issued to the shareholders of the Demerged Company shall be subject to the provisions of the memorandum of association and article of association of the Resulting Company, as the case may be, and shall rank pari passu in respects, with the existing equity shares in the Resulting Company from the Appointed Date. Such shares in the Resulting Company, to be issued to the shareholders of the Demerged Company, will, for purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.
- 3.1.11 The equity shares issued by the Resulting Company pursuant to clause 3.1.1 above in respect of such Equity Shares of the Demerged Company that are subject to lock-in pursuant to the Applicable Law, shall remain locked-in as required under the SEBI Master Circular.
- 3.1.12 The equity shares to be issued by the Resulting Company in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund, if any, shall be credited to the Investor Education and Protection Fund.
- 3.1.13 The equity shares issued by the Resulting Company, pursuant to Clause 3.1.1 in respect of any equity shares of the Demerged Company which are held in abeyance or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Resulting Company or shall be dealt with as provided under the Applicable Law.



- 3.1.14 Upon the Scheme becoming effective and subject to the above provisions, the equity shares issued by the Resulting Company in terms of this Scheme shall be issued in dematerialized form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall be obligated to provide such confirmation, information and requisite details, relating to their demat account, to the Resulting Company to enable it to issue its equity shares as provided in sub clause 3.1.1 above.
- 3.1.15 If no such information is received from the eligible shareholder who holds shares of the Demerged Company in physical form, prior to the Record Date, the Resulting Company shall keep such shares in a Demat Suspense Account and he/she would be eligible to claim such shares in accordance with the procedure laid down under the Applicable Laws.
- 3.1.16 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting company of such shares.
- 3.1.17 On approval of the Scheme by the members of Demerged Company and Resulting company, the issue and allotment of New Shares to the Shareholders of Demerged Company by the Resulting company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 read with 42 of the Companies Act, 2013 and no separate approval of shareholders of Resulting company would be required for issuance of fresh shares to the shareholders of Demerged Company.
- 3.1.18 Shares of the Resulting Company will be listed and/or admitted to trading on the BSE and NSE, which have nation-wide trading terminals. The Resulting Company shall apply for listing of its shares on the BSE and NSE and enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for the Resulting Company, including for seeking exemption from Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957.



3.1.19 The shares of the Resulting Company shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme. The Resulting Company will not issue/reissue any shares, not covered under this Scheme, till the date of listing of the Resulting Company on the BSE and NSE pursuant to the Scheme. The Resulting company shall make requisite applications and shall otherwise comply with the provisions of SEBI Circulars and applicable law and take steps to procure the listing of equity shares issued by it.

3.1.20 In the event, the Demerged Company or the Resulting Company opts to restructure its equity share capital by way of share split/consolidation/issue of bonus shares or any other corporate action during the pendency of the Scheme, the Share Entitlement Ratio, per clause 3.1.1 above shall be adjusted accordingly, to consider the effect of such corporate actions.

3.2 ACCOUNTING TREATMENT

Upon this entire Scheme coming into effect, the Demerged Company and the Resulting Company shall account for the Demerger of the Demerged Undertaking, together, in their respective books of accounts, in accordance with accounting principles and accounting standard, as laid down and notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time. Without prejudice to the generality of the aforesaid accounting treatment in respect of certain specific matters in books of accounts of the company shall be in the following manner:

3.2.1 Treatment in the books of the Demerged Company

i. The Demerged Company shall reduce the carrying value of all the assets, liabilities and reserves pertaining to the Demerged Undertaking (*As specified in Schedule-Part I*) as appearing in the books of account of the Demerged Company, being transferred to and vested in the Resulting Company from the respective book values of the Demerged Company;



- ii. The investment in the equity share capital of the Resulting Company held by the Demerged Company, as appearing in the books of accounts of the Demerged Company shall stand cancelled.
- iii. The surplus/deficit, if any, arising between the carrying value of assets, liabilities and reserves pertaining to the Demerged Undertaking transferred to the Resulting Company, after providing for adjustments as stated in clauses i and ii above, shall be adjusted under the head 'other equity' of the Demerged Company.

3.2.2 Treatment in the books of the Resulting Company

- i. The Resulting Company shall record all assets, liabilities and reserves of the Demerged Undertaking transferred to it pursuant to this Scheme at their respective book values as appearing in the books of the Demerged Company.
- ii. The Resulting Company shall credit its share capital account with the face value of the equity shares issued to the shareholders of the Demerged Company in accordance with the Scheme.
- iii. The existing paid-up Share Capital of the Resulting Company shall stand cancelled and the effect of the same shall be adjusted against under the head of 'other equity'.
- iv. The difference between (A) the book value of assets minus liabilities and reserves so recorded in the books of the Resulting Company, and (B) the value of the equity shares issued and allotted by the Resulting Company to the shareholders of the Demerged Company (i.e., number of such equity shares issued multiplied by face value of such equity shares of the Resulting Company) as consideration, if any, shall be adjusted to the 'Other Equity' of the Resulting Company.
- v. In case of any differences in accounting policies of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.



- vi. The inter-company balances between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, appearing in the books of the Resulting Company and / or the Demerged Company shall be decided by the Board of the Demerged Company and necessary adjustments to be made accordingly;
- vii. Any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the requirement of applicable Indian Accounting Standards.

3.3 INCREASE IN AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY

3.3.1 Upon the Scheme becoming effective but prior to the issuance of equity shares by the Resulting Company, the authorized share capital of the Resulting Company shall stand altered, reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company as under:

| Authorized Share Capital | INR |
|--|-----------------------|
| 2,00,00,000 equity shares of Rs. 10 each | 20,00,00,000/- |
| Total | 20,00,00,000/- |

The Resulting Company shall pay the necessary stamp duty and registration fee, as may be applicable, for such increase in its authorized share capital in terms of the Act.

3.3.2 Consequently, the existing capital clause i.e. Clause V of the Memorandum of Association of the Resulting Company shall stand altered, modified, and amended and be substituted as follows:

"The Authorized Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10 (Rupees Ten) each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being with the power to increase or reduce the capital of the Company and to divide or consolidate the shares in the capital for the



time being to several classes as such manner as may be provided to the Companies Act 2013 as amended time to time."

3.3.3 On approval of the Scheme by the members of the Resulting Company pursuant to Section 230 -232 of the Companies Act, 2013, it shall be deemed that the said members have also accorded their consent for approval of the alteration of the Memorandum of Association and Article of Association of the Resulting Company and no separate resolution(s) under Section 13, 14 and 61 and other applicable provisions of the Act as may be applicable shall be required for giving effect to the provisions contained in this Scheme.

3.4 LISTING AGREEMENT AND SEBI COMPLIANCES

3.4.1 Since the Demerged Company is a listed company, this Scheme is subject to the compliances of the requirements under the listing regulations and statutory directives of the Securities Exchange Board of India ('SEBI') in so far as they relate to sanction and implementation of the Scheme.

3.4.2 Pursuant to Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular, the Scheme is required to be filed with the stock exchanges on which the equity shares of the Demerged Company are listed for obtaining prior approval or No objection letter/observation letter of the Stock Exchanges and SEBI. Accordingly, the Demerged Company in compliance with the listing Regulations shall apply for the in-principle approval of the Stock Exchanges, in terms of the Regulation 37 of the listing regulations.

3.4.3 As Para (A) (10) (a) of Part-I of the SEBI Master Circular is applicable to this Scheme, it is provided in the Scheme that the Demerged Company will provide voting by its public shareholders through e-voting and will disclose material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.

3.4.4 The Demerged Company shall also comply with the directives contained in the SEBI Master Circular.



PART 4

GENERAL TERMS AND CONDITIONS

4.1 APPLICATION TO NCLT

4.1.1 The Companies shall, make all necessary applications and petitions to NCLT for sanctioning this Scheme under Sections 230 to 232 of the Act, including seeking such orders for convening and holding or alternatively, dispensing with requirements for convening and holding meetings of the shareholders and/or creditors of the Companies as may be directed by the NCLT and obtaining such other approval as may be required under applicable laws for effecting this Scheme.

4.1.2 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

4.2 CONDITIONS FOR EFFECTIVENESS OF THE SCHEME:

4.2.1 The effectiveness of this Scheme is conditional upon:

4.2.1.1 Receipt of observation or no-objection letter by the Demerged Company from SEBI/ Stock Exchanges under Regulation 11 and 37 of the SEBI Listing Regulations, along with SEBI Master Circular in respect of the Scheme, on terms acceptable to the Companies;

4.2.1.2 Approval of this Scheme by the requisite majority in number and value of each class of shareholders and creditors of the Parties as applicable or as may be required under the Act and Applicable Law, and as may be directed by the Tribunal;

4.2.1.3 Sanctioning of the Scheme by the Hon'ble NCLT under Section 230-232 of the Act;



4.2.1.4 Necessary certified copies of the order of the Hon'ble NCLT sanctioning this Scheme being filed with the RoC having jurisdiction over the Parties;

4.2.1.5 Obtaining all requisite licenses, registrations, permits, and approvals from the appropriate statutory, regulatory, and governmental authorities that are considered necessary for the lawful establishment and operation of the business.

4.2.2 On the approval of the Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger set out in this Scheme, related matters and this Scheme itself.

4.2.3 It is hereby clarified that submissions of the Scheme to the NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles, or defences that the Demerged Company and/or the Resulting Company may have under or pursuant to Applicable law.

4.3 MODIFICATION/ AMENDMENT AND WITHDRAWAL OF THE SCHEME

4.3.1 The Board of Directors of the Companies including any Committee thereof may assent from time to time, on behalf of persons concerned including the shareholders, to any modifications or amendments or additions to the Scheme or to any conditions or limitations, which either the Board of Directors of the Companies may deem fit, or which the Tribunal and/or any competent authority, under the Applicable Laws may deem fit, to approve of or impose, and which the Board of Directors of the Companies may in their discretion, deem fit, and to resolve doubts or difficulties that may arise in carrying out and implementing this Scheme and to do acts, instruments, deeds, matters and things necessary or to review position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Laws) for bringing the Scheme into effect.

4.3.2 For the purpose of giving effect to the Scheme or to any modifications or amendments thereof, or additions thereto, the Board of Directors of the Demerged Company and



the Resulting Company may give such directions as are necessary, directions for settling or removing any question of doubt or difficulty that may arise, and such determination or directions, as the case may be, shall be binding on the respective parties in the same manner as if the same were specifically incorporated in this Scheme.

4.3.3 The Demerged Company and Resulting Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them. Further, the Demerged Company shall be entitled, at its sole discretion, to withdraw from this Scheme at any time prior to the Effective Date, if it is of the opinion that such withdrawal is in the interest of the public shareholders, creditors or any other stakeholder or not viable from a commercial perspective or otherwise. In each such case, this Scheme shall stand null and void, and in that event, no assets/rights and/or liabilities whatsoever shall accrue between the Companies, their shareholders, creditors, employees, or any other person. In such a case, the Companies shall bear the cost equally, unless otherwise mutually agreed.

4.3.4 The Demerged Company and the Resulting Company, through mutual agreement of their respective Boards of Directors, may waive the conditions set forth under Clause 4.2.1.5, either in whole or in part.

4.4 DIVIDENDS

4.4.1 Demerged Company/ Resulting company shall be entitled to declare and pay dividends, if applicable, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

4.4.2 The holders of the shares of the Demerged Company/ Resulting company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

4.4.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company/ Resulting company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company/ Resulting



company and subject to the approval of the shareholders of the Demerged Company/ Resulting company respectively, if applicable.

4.5 SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

4.6 PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, Permit, contract and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to avail the property, asset, Permit, contract or the rights and benefits arising therefrom as if it were the owner of the property or asset or as if it were the original party to the Permit or contract. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed between the Companies, the Demerged Company will continue to hold the asset, property, permit, contract and/or rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company.

4.7 VALIDITY OF EXISTING RESOLUTIONS

4.7.1 Upon the Scheme becoming effective, resolutions passed by the Demerged Company in relation to the Demerged Undertaking, which are valid and subsisting as on the Effective Date and are considered necessary by the Board of both the Companies, shall continue to remain in force and shall be deemed to have been passed by the Resulting Company. Further, where any of these resolutions involve monetary limits approved under the provisions of the Act or any other applicable statutory provisions, such limits, to the extent deemed appropriate by the Board of both the Companies, shall be added to the



corresponding limits under similar resolutions passed by the Resulting Company, and the aggregate of such limits shall be treated as the total limits applicable to the Resulting Company. The Resulting Company shall take note of such resolutions at its first Board Meeting held after the effectiveness of the Scheme.

- 4.7.2 Upon the Scheme becoming effective, any power of attorney executed by the Demerged Company in relation to the Demerged Undertaking shall stand cancelled and simultaneously, the Resulting Company shall, where required, execute new powers of attorney to ensure uninterrupted continuity of operations and legal authority with respect to the Demerged Undertaking.

4.8 SEVERABILITY

- 4.8.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to, only if the Scheme is approved in its entirety and given effect to in accordance with the terms of the Scheme, except to the extent that the Companies may otherwise agree in writing.

- 4.8.2 Subject to Clause 4.8.1 above, if any part of the Scheme is held to be invalid or ruled illegal by any court of competent jurisdiction, or unenforceable under Applicable Laws, then such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause the Scheme to become materially adverse to any party. In such a case, the Board of Directors of the Companies to which such part relates to shall attempt to bring about the modifications in the Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

4.9 COSTS, CHARGES AND EXPENSES

Past, present and future costs, charges, levies, duties, and expenses (including stamp duty payable pursuant to transfer of Demerged Undertaking, if any) in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be treated, as costs relating to the Demerger and shall be borne by the Demerged Company and Resulting Company equally.



A large, stylized handwritten signature in black ink.

SCHEDULE

SCHEDULE OF ASSETS OF AND LIABILITIES OF THE DISTILLERY DIVISION (DEMERGED UNDERTAKING) AS ON 30.06.2025

PART - I

| S.No | Particulars | Amount as on 30.06.2025 (in lacs) |
|--------------------------|---|---|
| ASSETS | | |
| a) | Immovable Property (Factory Building at lease hold land) (refer Note No. 1) | 227.99 |
| b) | Plant and Equipment (refer Note No. 2) | 4316.50 |
| c) | Capital work in progress | 468.32 |
| d) | Intangible assets (refer Note No. 3) | 1.70 |
| e) | Non-current tax assets (net) | - |
| f) | Investments (refer Note No. 4) | 316.65 |
| g) | Other financial assets (refer Note No. 5) | 501.19 |
| h) | Inventories | 1,818.67 |
| i) | Trade and other receivables | 96.74 |
| j) | Cash and cash equivalents | 8.71 |
| k) | Bank balances other than cash and cash equivalents (refer Note No. 6) | 741.49 |
| l) | Other assets (refer Note No. 7) | 394.64 |
| TOTAL ASSETS | | 8892.60 |
| LIABILITIES | | |
| a) | Deferred tax liabilities (net) | 430.98 |
| b) | Non-current tax liability (net) | 68.25 |
| c) | Provisions (Current Liability) | 46.72 |
| d) | Borrowings (refer Note No. 8) | 541.60 |
| e) | Trade and other payables (capital goods) | 383.87 |
| f) | Other financial liabilities (refer Note No. 9) | 591.56 |
| g) | Other current liabilities (refer Note No. 10) | 53.34 |
| h) | Provisions (Non-Current Liability) | 458.31 |
| TOTAL LIABILITIES | | 2574.63 |



NOTE NO. 1: DETAILS OF IMMOVABLE PROPERTIES

A. SHORT DESCRIPTION OF THE LEASEHOLD PROPERTY OF THE DEMERGED UNDERTAKING

| S. No. | Location | Written down value as on 30.06.2025 (in Rs.) | Remarks |
|--------|---|---|--------------|
| 1. | Lease hold Land at Motinagar, Masaudha, Faizabad to be subleased on approval by UP Government | NIL | Map Attached |
| 2. | Factory Building on lease hold land at Moti Nagar, Masodha | 2,27,99,142 | |

NOTE NO. 2: DETAILS OF PLANTS & EQUIPMENTS

| S. No. | Particulars | Written down value as on 30.06.2025 (in Rs.) |
|--------------|--|---|
| 1. | Plant & Machinery WDV as per Fixed Asset Register | 31,53,86,059 |
| 2. | Effluent Treatment Plant | 10,26,91,667 |
| 3. | Others – Furniture & Fixtures, Vehicles, Office Equipment, Tubewell and Cycles | 135,72,746 |
| Total | | 43,16, 50,473 |

NOTE NO. 3: DETAILS OF INTANGIBLE ASSETS

| S. No. | Particulars | Written down value as on 30.06.2025 (in Rs.) |
|--------|---|---|
| 1. | Computer software and brand development | 1,69,983 |

DETAILS OF INTELLECTUAL PROPERTIES

A. REGISTERED TRADEMARKS & LOGOS (All trademarks & logos registered by the Distillery Division in relation to the Distillery business, including the following:)

| Sl.No. | Trademark | Class | Application No. | Certificate No. | Date of Registration |
|--------|------------------------|-------|-----------------|-----------------|----------------------|
| 1. | Red Orange (Word) | 33 | 5262941 | 3120914 | 27/12/2021 |
| 2. | Mashuka (Word) | 33 | 5404179 | 3115387 | 11/04/2022 |
| 3. | QUEEN'S CLASSIC (Logo) | 33 | 4994281 | 3630591 | 15/01/2024 |
| 4. | Beauty & Lovely (Word) | 33 | 5262944 | 3650026 | 29/01/2024 |
| 5. | Miss Masala (Word) | 33 | 5262943 | 3714824 | 27/12/2021 |
| 6. | King Classic (Logo) | 33 | 4994282 | 3659524 | 07/02/2024 |

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| | | | | | |
|-----|------------------------|----|---------|---------|------------|
| 7. | Moti (word) | 5 | 4490984 | 2561837 | 24/04/2020 |
| 8. | Moti (Logo) | 5 | 4490985 | 2569632 | 24/04/2020 |
| 9. | King's Classic (Word) | 33 | 4994284 | 3704510 | 04/06/2021 |
| 10. | Queen's Classic (Word) | 33 | 4994285 | 3707794 | 04/06/2021 |
| 11. | Lily (Word) | 33 | 5404180 | 3117101 | 11/04/2022 |
| 12. | Jordar (Word) | 33 | 5404181 | 3116186 | 11/04/2022 |
| 13. | Robila (Word) | 33 | 5404182 | 3118055 | 11/04/2022 |

B. PENDING TRADEMARKS & LOGOS FOR REGISTRATIONS (All trademarks & logos pending for registration by the Distillery Division in relation to the Distillery business, including the following:)

| S.No. | Trademark | Class | Application No. |
|-------|-------------------------|-------|-----------------|
| 1. | Red Lime (Logo) | 33 | 6367680 |
| 2. | King No. 1 | 33 | 5859208 |
| 3. | Hunter's Choice (Word) | 33 | 4994275 |
| 4. | King's Orange (word) | 33 | 4994276 |
| 5. | Hunter's Queen (Word) | 33 | 4994277 |
| 6. | Queen's Premium (Word) | 33 | 4994278 |
| 7. | Hunter's Premium (Word) | 33 | 4994279 |
| 8. | Hunter's Classic (Word) | 33 | 4994283 |
| 9. | Mindies (Word) | 33 | 5262940 |
| 10. | Power Horse (Word) | 33 | 5262942 |
| 11. | Mauz Masti (Word) | 33 | 5262945 |
| 12. | Deewana Dil (Word) | 33 | 5262946 |
| 13. | Mindies Lime (Word) | 33 | 5262947 |
| 14. | Red Lime (Word) | 33 | 6367679 |
| 15. | Hunter's Classic | 33 | 4994280 |

C. COPYRIGHTS

| S. No. | ROC No. | Diary No. | Title of Work |
|--------|---------|-----------|---------------|
| 1. | Nil | Nil | Nil |
| 2. | Nil | Nil | Nil |

NOTE NO. 4: DETAILS OF INVESTMENTS

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|----------------------------------|--|-----------------------------------|
| CURRENT INVESTMENTS | | |
| 1. | HDFC Equity Growth Funds | 1,55,69,959 |
| | SBI Life Equity Growth Funds | 1,55,95,505 |
| NON - CURRENT INVESTMENTS | | |
| 2 | Equity Shares of K M Spirit & Allied Industries Ltd. | 5,00,000 |
| | Total | 3,16,65,464 |



NOTE NO. 5: DETAILS OF OTHER FINANCIAL ASSETS

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|---|---|-----------------------------------|
| OTHER CURRENT FINANCIAL ASSETS | | |
| 1. | FD having Maturity more than 12 months | 3,00,00,000 |
| 2. | FDR Pledged with bank for bank guarantee | 1,01,22,610 |
| 3. | FDR with Government authority as security | 75,67,285 |
| 4. | Interest accrued but not due | 10,25,264 |
| | Total | 4,87,15,159 |
| OTHER NON - CURRENT FINANCIAL ASSETS | | |
| 5. | Interest accrued but not due | 14,03,782 |
| | Total | 14,03,782 |
| | Grand Total | 5,01,18,941 |

NOTE NO. 6: DETAILS BANK BALANCE & OTHER CASH & CASH EQUIVALENTS

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|--------|---|-----------------------------------|
| 1. | Balance in Current Account | 8,11,913 |
| 2. | Cheque on hand | - |
| 3. | Cash-in -hand | 58,812 |
| | Total | 8,70,725 |
| 4. | FD having Maturity less than 12 months | 7,24,00,000 |
| 5. | FDR Pledged with bank for bank guarantee | 11,24,048 |
| 6. | FDR with Government authority as security | 6,24,860 |
| | Total | 7,41,48,908 |

NOTE NO. 7: DETAILS OF OTHER ASSETS

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|-----------------------------------|-------------------------------------|-----------------------------------|
| OTHER CURRENT ASSETS | | |
| 1. | Security Deposit | 71,15,328 |
| | Advances to suppliers | 1,41,04,941 |
| | Advance to employees | 3,24,371 |
| | GST and other taxes/ duties | 61,34,210 |
| | Prepaid expenses | 96,12,634 |
| | Receivable from sugar division | - |
| OTHER NON - CURRENT ASSETS | | |
| 2. | Capital Advances | 18,70,779 |
| | Duties and Taxes paid under protest | 3,01,598 |
| | Total | 3,94,63,861 |



NOTE NO. 8: DETAILS OF BORROWINGS

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|--------|---------------------|-----------------------------------|
| 1. | State Bank of India | 5,41,60,035 |
| | Total | 5,41,60,035 |

NOTE NO. 9: DETAILS OF OTHER FINANCIAL LIABILITIES

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|--------|--|-----------------------------------|
| 1. | Security Deposits | 1,57,71,478 |
| 2. | Salary and other payables to employees | 51,31,044 |
| 3. | Others | 56,30,391 |
| 4. | Outstanding liability of related party | 88,27,969 |
| 5. | MGQ Payable | 2,37,95,550 |
| | Total | 5,91,56,432 |

NOTE NO. 10: DETAILS OF OTHER CURRENT LIABILITIES

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|--------|-------------------------|-----------------------------------|
| 1. | Statutory Liabilities | 53,00,249 |
| 2. | Advances from Customers | 33,569 |
| | Total | 53,33,818 |



A handwritten signature in black ink over a circular stamp. The stamp is partially obscured by the signature.

PART - II

SCHEDULE OF LICENSES/ PERMITS/ APPROVALS/ NoCs RELATING TO DEMERGED UNDERTAKING

| S. No. | Particulars | Issuing Authority |
|--------|--|-------------------------------------|
| 1. | Manufacturing of Ethanol, ENA, RS, Country Liquor | U.P. Excise Department |
| 2. | Factory License | U.P. Labour Department |
| 3. | Provident Fund | P.F. Commissioner U.P. |
| 4. | Gratuity | U.P. Labour Department |
| 5. | Air, Water | UP Pollution Control Board |
| 6. | Boiler | Director Boiler, Kanpur |
| 7. | Fire | Fire Department, Faizabad |
| 8. | Weight & Measurement | Legal Metrology Department |
| 9. | Food License | FSSAI, Regional Office I, Delhi |
| 10. | Packing Registration | Sr. Inspector Weight & Measurement. |
| 11. | Central Ground Water | Member Secretary, CGWA, New Delhi |
| 12. | EPR (Extended Producers Responsibility) Registration Certificate | Central Pollution Control Board |



PART – III

SCHEDULE OF PENDING SUITS/APPEALS/PROCEEDINGS RELATING TO DEMERGED UNDERTAKING

| SL No. | COURT/ AUTHORITY NAME | CASE TITILE <u>AND</u> CASE NO. |
|-----------------|------------------------------------|---|
| 1 | High Court Allahabad | KM sugar Mills Ltd V/s Excise Commissioner of UP <u>And</u> Writ Tax no. 538/2023 |
| 2 | MSME- Arbitration Court, Panchkula | Pet Plast India Vs KM Sugar Mills Ltd <u>And</u> Claim application-Hr-03-001627/S/00004 |
| Motihari | | |
| 3 | District Court Motihari | Deopriya Mukharjee V/s KM sugar Mills Ltd <u>And</u> Eviction case SD-4/2019 |
| 4 | Supreme court | State of Bihar & Others V/s. Ally foods& others <u>And</u> SLP(C) 35631/2014 |
| 5 | Supreme court | State of Bihar & Others V/s. Riga Sugar Co. & others <u>And</u> SLP(C) 14792/2016 |
| 6 | High Court Patna | KM Sugar Mills Ltd Vs State of Bihar & others <u>And</u> MJC 1578/2016 |
| 7 | High Court Patna | KM Sugar Mills Ltd Vs State of Bihar & others <u>And</u> CWJC10947/2016 |
| 8 | Supreme Court | State of Bihar & Others V/s. KM sugar Mills <u>And</u> SLP No. 3595/2019 |
| 9 | Excise Commissioner, Patna | KM Sugar Mills Ltd Vs Excise Commissioner Patna <u>And</u> 41/2015 |
| 10 | High Court Patna | State of Bihar & Other vs K M.Sugar <u>And</u> CWJC 14248/2017 |
| 11 | High Court Patna | KM Sugar Mills Ltd Vs State of Bihar & Others <u>And</u> CWJC 21786/2018 |
| 12 | Certification Officer, Motihari | Suptd. of Excise east Champaran VS KM Sugar Mills Ltd <u>And</u> Case No.12/Utpad/2016-17 |
| 13 | High Court Patna | North Bihar (NB) PDCL. <u>And</u> Case No. -Civil writ Jurisdiction 2215/2021 |

PART – VI

SCHEDULE OF OBLIGATIONS & DUTIES (OTHER THAN THOSE MENTIONED IN CURRENT & NON-CURRENT LIABILITIES) RELATING TO DEMERGED UNDERTAKING

| S. No. | Particulars | Amount as on 30.06.2025 (in Rs.) |
|--------|---|-----------------------------------|
| 1. | Penalty levied by U.P. Excise Commissioner, Allahabad for Fire occurrence in AST-6 Tank | 19,38,620/- |
| 2. | Bank Guarantee given to M/s. Nayara Energy Limited | 92,86,880/- |





SHARE ENTITLEMENT REPORT

To Recommend the Share Entitlement Ratio

For

Scheme of Arrangement between

K M Sugar Mills Limited

(Demerged Company or "KMSM")

AND

K M Spirits and Allied Industries Limited

(Resulting Company or "KMSAIL")

AND

Their Respective Shareholders and Creditors

(Under Section 230 To 232 Of the Companies Act, 2013)



AXIOLOGY VALUETECH PRIVATE LIMITED

Registered Valuer Entity
IBBI/RV-E/05/2023/201
+91 8285052684
valueaxio@gmail.com

(PRIVILEGED AND CONFIDENTIAL)

Date: 07-08-2025

SHARE ENTITLEMENT REPORT

To,
The Audit Committee and
The Board of Directors
K.M. Sugar Mills Limited
76, Eldeco Greens, Gomtinagar, Lucknow
Lucknow, Uttar Pradesh, India, 226010

To,
The Board of Directors
Km Spirits And Allied Industries Limited
76, Eldeco Greens, Gomtinagar, Lucknow, Lucknow,
Uttarparadesh, India, 226010

Subject: Recommendation of share entitlement ratio for the proposed demerger of Distillery Division ("Demerged Undertaking") of KM Sugar Mills Limited ("Demerged Company") into KM Spirits and Allied Industries Limited ("Resulting Company") on a going concern basis.

Dear Sir/ Madam,

Pursuant to confirmation of appointment by the Board of Directors of KM Sugar Mills Limited, dated 25th March, 2025, undertaken for recommendation of share entitlement ratio for the proposed demerger of Distillery Division ("Demerged Undertaking") of KM Sugar Mills Limited ("Demerged Company"/ "KMSM") into KM Spirits and Allied Industries Limited ("Resulting Company / "KMSAIL") on a going concern basis pursuant to Scheme of Arrangement between KMSM and KMSAIL and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"/ "Demerger").



Based on the representation of management of Demerged Company and Resulting Company, we have determined the Entitlement Ratio for Demerger as below:

| Particulars | Demerged Company | Resulting Company |
|------------------------------|------------------|-------------------|
| Total Number of Shares | 10,00,00,000 | 50,000 |
| Face Value / Price per Share | 2 | 10 |
| Share Entitlement Ratio | 5 | 1 |

One equity share of face value of Rs. 10/- (Rupees Ten) each at par in the 'Resulting Company for every Five Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company ("Share Entitlement Ratio")."

This report is hereby presented for your kind perusal. Please feel free to seek any clarification.

Regards



Axology Valuetech Private Limited
Registered Valuer Entity
IBBI/RV-E/05/2023/201

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We refer to confirmation of our appointment through an engagement letter dated 25th March 2025 regarding our appointment independent valuer to determine the share entitlement ratio for the Scheme of arrangement under Section 230 -232 of the Companies Act, 2013. The Scheme, *inter alia*, provides for the demerger of 'Distillery Division' ("Demerged Undertaking") of KM Sugar Mills Limited ("Demerged Company") and vesting of the same with KM Spirits and Allied Industries Limited ("Resulting Company"), a wholly owned subsidiary of KMSM, on a going concern basis. In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

Whereas we have been specifically asked to carry out Valuation of Shares and suggest Share Entitlement Ratio for the proposed Demerger of the aforesaid companies by the Board of KM Sugars Mills Limited (Demerged Company) and KM Spirits and Industries Limited (Resulting Company).



1. Context and Purpose

Based on discussion with the Management, we understand that the Company's promoters are evaluating the possibility of Demerger of Distillery Division' ("Demerged Undertaking") of KM Sugars Mills Limited ("Demerged Company") and vesting of the same with KM Spirits and Allied Industries Limited ("Resulting Company") on a going concern. In this context, the Management requires our assistance in determining the share entitlement ratio.

2. Background of the Company and Industry

KM SUGAR MILLS LIMITED (hereinafter also referred to as 'KMSM' or 'Demerged Company'), bearing CIN L15421UP1971PLC003492 was incorporated on December 17, 1971, under the provisions of Companies Act, 1956 as a private company with the name & style of "K M Sugar Mills Private Limited" under the jurisdiction of Registrar of Companies, Kanpur (Uttar Pradesh). Subsequently, on April 20, 2005, the name of the Demerged Company was changed to its present name i.e., "K M Sugar Mills Limited" pursuant to obtaining status of a Public Company. The Registered office of the Resulting Demerged Company is presently situated at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010. The Demerged Company is engaged in diversified manufacturing and selling sugar (Sugar Manufacturing Division), manufacturing of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA) (Distillery Division). The Equity Shares of the Demerged Company are listed on the bourses of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

KM SPIRITS AND ALLIED INDUSTRIES LIMITED (hereinafter also referred to as 'KMSAIL' or 'Resulting Company') bearing CIN U15100UP2018PLC101321 was incorporated on 23rd February 2018, under the provisions of Companies Act, 2013 as a public limited company with the name & style of "KM Spirits and Allied Industries Limited" under the jurisdiction of Registrar of Companies, Kanpur. The Registered office of the Resulting Company is presently situated at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010. The Resulting Company is engaged in the manufacture of all types of spirits.

The resulting Company is a wholly owned subsidiary of the Demerged Company.



3. Purpose of valuation and appointing authority:

To determine the share entitlement ratio for demerger under Section 230-232 of the Companies Act, 2013. The Board of Directors of the respective Companies has appointed the Registered Valuer via engagement letter dated 23rd March 2025.

4. Identity of the valuer and any other experts involved in the valuation:

This Valuation Report has been executed by Registered Valuer Mr. Ajay Kumar Siwach (Securities or Financial Assets) – Registration. No IBBI/RV/05/2019/11412 (Director of Registered Valuer Entity Axiology Valuetech Private Limited (IBBI/RV-E/05/2023/201).

5. Disclosure of valuer interest/conflict, if any:

We do not have any financial interest in the Client, nor do we have any conflict of interest in carrying out this analysis to recommend fair share entitlement ratio.

Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided to us to carry out the analysis.

6. Date of appointment and date of report:

| | |
|---------------------|------------------------------|
| Date of appointment | 25 th March 2025 |
| Date of report | 07 th August 2025 |

7. Sources of Information

In connection with this exercise, we have received/obtained the following information from the Management:

- Audited financial statements for the year ended 31-03-2025 of Demerged Company and Resulting Company.
- Limited reviewed financial statements for the period ended 30-06-2025 of Resulting Company.
- Management Certified financial statements for the year ended 30-06-2025 of Demerged Company and Demerged Undertaking.
- Draft Scheme of Arrangement for demerger of the Distillery Division of KMSM into KMSAIL.
- We have obtained information from public sources/proprietary databases.



During discussions with the Management of the Companies, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise.

8. Procedures Adopted

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information.
- Used data available in public domain related to the companies involved in the transaction.
- Discussed (physical/over call) with the Management of the Companies regarding the proposed Demerger, transaction structure and other relevant details.
- Analyze appropriate valuation methodology/ (ies) and valuation of the companies as considered appropriate by us, to the extent required.
- Analyzed the shareholding pattern of the Companies.
- Arrived at recommendation of the fair equity share entitlement ratio for the Proposed Demerger.

The consideration for such proposed Demerger will be discharged by issuance of equity shares by KM Spirits and Allied Industries Limited to the equity shareholders of the KM Sugars Mills Limited.

The Resulting Company is a wholly owned subsidiary of the Demerged Company. Upon effectiveness of the draft Scheme, the entire equity shares of Resulting Company held by the Demerged Company will be cancelled.

Basis for Recommendation of Ratios

We understand that as part of the Proposed Scheme, Demerged Undertaking of Demerged Company is proposed to be merged into Resulting Company. It can be seen that Demerged Company holds 100% equity shares of Resulting Company. Once the Proposed Scheme is implemented, all the shareholders of Demerged Company would also become shareholders of Resulting Company, and their shareholding in Resulting Company would mirror their shareholding



in Demerged Company. The effect of the Proposed Demerger is that each shareholder of Demerged Company becomes the owner of shares in two companies instead of one. The percentage holding of a shareholder in Demerged Company (post Demerger) and in Resulting Company would remain unchanged from the proportion of capital held by such shareholder in Demerged Company. This will also result in no fractional entitlement for the shareholders.

Hence, Share Entitlement Ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the shareholders of Demerged Company. Further, as stated in SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, valuation is not required in cases where there is no change in shareholding pattern in the resultant company. Therefore, we have not carried out the valuation of Resulting Company, Demerged Undertaking or Demerged Company. Accordingly, the valuation under the valuation approach mentioned in the format prescribed under BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 and NSE Circular No. NSE/CML/2017/12 dated 01 June 2017 are not applicable in the given case.

Share Entitlement Ratio: Proposed Demerger

| Valuation Approach | Demerged Undertaking of Demerged Company | | Resulting Company | |
|---|--|--------|--|--------|
| | Value per Share of Demerged Company attributable to the Demerged Undertaking (INR) | Weight | Value per Share of Resulting Company (INR) | Weight |
| Asset Approach | N.A. | N.A. | N.A. | N.A. |
| Income Approach | N.A. | N.A. | N.A. | N.A. |
| Market Approach | N.A. | N.A. | N.A. | N.A. |
| Value per Share | N.A. | N.A. | N.A. | N.A. |
| Entitlement Ratio for Proposed Demerger | N.A. | | | |



Based on the above, any share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the proportionate equity shareholding of any shareholder before and after the Proposed Demerger would remain the same.

Keeping the same in view, a share entitlement ratio of 1 (One) equity share of Resulting Company for 5 (Five) equity share of Demerged Company would be appropriate.

Conclusion

In light of the above and in consideration of all relevant factors and circumstances, we recommend the following Ratios:

Share Entitlement Ratio for Proposed Demerger:

One equity share of face value of Rs. 10/- (Rupees Ten) each at par in the 'Resulting Company for every Five Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company ("Share Entitlement Ratio").

9. Distribution of report

The Analysis is confidential and has been prepared exclusively for the purpose of recommendation of entitlement ratio of shares. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of Axiology Valuetech Private Limited (the undersigned Valuer Entity). Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the Report will be shared with the proposed allottees of the Demerged Company.

10. Caveats, limitations and disclaimers

1. Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.
2. Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects.



3. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.
4. Similarly, we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences
5. Possession of any copy of this Report does not carry with it the right of publication, nor may be used for any purpose by any one, except the addressee and the property owner without the prior written consent of the Valuer, and in any event, only may be revealed in its entirety. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.
6. The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.
7. We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.
8. Our Valuation Analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.
9. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and opinion give is fair and reasonable, in the particular circumstances of this case, our liability for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage is caused, shall not in any circumstances exceed the professional fee payable to the undersigned Valuer for this Valuation.
10. Notwithstanding anything contained in this report, Axiology Valuetech Pvt Ltd and its employees shall not be liable to any party for any direct, indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this engagement.



SPECIAL CONDITIONS & ASSUMPTIONS

11. The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the Financial Statements and express no assurance on them. The financial information about the company presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report.
12. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report and have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.
13. We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investments in securities or partnership interests, and any other assets or liabilities except as specifically stated to the contrary in this report.
14. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.
15. We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.
16. We have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.
17. This report is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.



18. This Valuation is based on the estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, however such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit shall be achieved, a particular event shall occur or that a particular price shall be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis shall or may vary from these estimates and the variations may be material.
19. This valuation report should not be regarded as a recommendation to invest in or deal in any form of securities of Company and should also not be considered as its final value.
20. The Management or related parties of the Company and its subsidiaries/ associates/ group companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.
21. We understand that the management of Company during our discussions with them, would have drawn our attention to all such information and matters, which may have had an impact on our valuation. In this report we have included all such information and matters as was received by us from the management of Company.

Certified Valuation Report
New Delhi, INDIA
07-08-2025



Axiology Valuetech Private Limited
Registered Valuer Entity
IBBI/RV-E/05/2023/201

FAIRNESS OPINION REPORT

FOR THE SCHEME OF ARRANGEMENT

AMONGST

K M Sugar Mills Limited
(Demerged Company or “KMSM”)

And

K M Spirits and Allied Industries Limited
(Resulting Company or “KMSAIL”)

And

Their Respective Shareholders and Creditors
(Under Section 230 To 232 Of the Companies Act, 2013)

To,
The Board of Directors
K.M. Sugar Mills Limited
76, Eldeco Greens, Gomtinagar, Lucknow
Lucknow, Uttar Pradesh, India, 226010

Dear Sir/Ma'am,

Subject: Fairness Opinion on recommendation of Share Entitlement Ratio for the proposed demerger of Distillery Division of K M Sugar Mills Limited to KM Spirits and Allied Industries Limited.

We, **Corporate Professionals Capital Private Limited** (SEBI Registered Category I Merchant Banker), have been appointed by **K M Sugar Mills Limited ("KMSM" / "Demerged Company")** to provide a Fairness Opinion on the Share Entitlement report issued by **Axiology Valuetech Private Limited**, Registered Valuer Entity, (Registration Number: IBBI/RV-E/05/2023/201), dated **07th August 2025**, in connection with the Scheme of Arrangement for the share entitlement ratio for the demerger of Distillery Division (referred to as "**Demerged Undertakings**") of K M Sugar Mills Limited into **KM Spirits and Allied Industries ("Resulting Company")** under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") read with SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **Corporate Professionals Capital Private Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Securities and Exchange Board of India, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully

For Corporate Professionals Capital Private Limited

Place: New Delhi

Date: 07th August 2025



[Authorized Signatory]

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CONTEXT AND BACKGROUND

BRIEF OF THE COMPANIES INVOLVED UNDER THIS ARRANGEMENT

1. **K M Sugar Mills Limited (hereinafter also referred to as 'KMSM' or 'Demerged Company')**, bearing CIN L15421UP1971PLC003492 was incorporated on December 17, 1971, under the provisions of Companies Act, 1956 as a private company with the name & style of "K M Sugar Mills Private Limited" under the jurisdiction of Registrar of Companies, Kanpur (Uttar Pradesh). Subsequently, on April 20, 2005, the name of the Demerged Company was changed to its present name i.e., "K M Sugar Mills Limited" pursuant to obtaining status of a Public Company. The Registered office of the Demerged Company is presently situated at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh - 226010.

| Name of Shareholder | Total Shares | Shareholding % |
|------------------------------------|--------------------|----------------|
| Individuals/Hindu Undivided Family | 32152342 | 22.329% |
| Lakshmi Kant Jhunjhunwala | 14302600 | 9.933% |
| Lakshmi Kant Dwarkadas-HUF | 10065900 | 6.991% |
| Aditya Jhunjhunwala | 5289242 | 3.673% |
| Sanjay Jhunjhunwala | 2494600 | 1.732% |
| Any Other (specify) | 19839157 | 13.778% |
| Naina Jhunjhunwala | 4180748 | 2.903% |
| Vatsal Jhunjhunwala | 499721 | 0.347% |
| Shivam S Shorewala | 120549 | 0.084% |
| Marvel Business Private Ltd | 12065975 | 8.380% |
| K M Vyapar | 2283364 | 1.586% |
| Jhunjhunwala Securities Pvt Ltd | 500000 | 0.347% |
| Francoise Commerce Pvt Ltd | 20 | 0.000% |
| Public Shareholding | 40,008,671 | 27.785% |
| Vridhi Trust | 188780 | 0.131% |
| Total | 143,991,669 | 100% |

2. **KM Spirits and Allied Industries Limited** (hereinafter also referred to as 'KMSAIL' or 'Resulting Company') bearing CIN U15100UP2018PLC101321 was incorporated on 23rd February 2018, under the provisions of Companies Act, 2013 as a public limited company with the name & style of "K M Spirits and Allied Industries Limited" under the jurisdiction of Registrar of Companies, Kanpur. The Resulting Company's Registered office is presently located at 76, Eldeco Greens, Gomti nagar, Lucknow, Uttar Pradesh - 226010.

| Name of Shareholder | Total Shares | Shareholding % |
|--|---------------|----------------|
| M/s. K M Sugar Mills Ltd | 49,994 | 99.988% |
| Mr. L.K. JhunJhunwala | 1 | 0.002% |
| Mrs. Naina DeviJhunjhunwala | 1 | 0.002% |
| Mr. Aditya Jhunjhunwala | 1 | 0.002% |
| Mrs Priti Jhunjhunwala w/o Mr. Sanjay Jhunjhunwala | 1 | 0.002% |
| Mr. Hari Nath | 1 | 0.002% |
| Mr. Mohit Agarwal | 1 | 0.002% |
| Total | 50,000 | 100% |



RATIONALE OF THE SCHEME

Furthermore, the Scheme of Arrangement of demerger of the Demerged Undertakings from the Demerged Company to the Resulting Companies would result in the following benefits:

Segregation and unbundling of the Distillery Division of the Demerged Company into the Resulting Companies will offer the following benefits:

- In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector specific opportunities, sharper focus and enhance operational efficiency.
- Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
- Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the Resulting Company pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business focused listed entity.
- The separation of business with distinct risk and return profiles, will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
- The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will in turn strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
- The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both the entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
- The demerger will help each of the entity to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.



SOURCE OF THE INFORMATION

In connection with this exercise, we have used the following information shared with us during the course of the engagement:

- Draft Scheme of Arrangement ("Scheme") for the Proposed Transaction.
- Audited financial statements for the year ended 31-03-2025 of Demerged Company and Resulting Company .
- Limited reviewed financial statements for the period ended 30-06-2025 of Resulting Company.
- Management Certified financial statements for the year ended 30-06-2025 of Demerged Undertaking.
- Valuation report and data to understand selection of valuation methodology, determination of exchange ratio and valuation basis for the same.
- Discussion with the Managements of the Companies in connection with the operations of the respective Companies, past and present activities, future plans and prospects of the Companies as of the report date, and any such information which is known and available as at the report date.
- For our analysis, we have relied on published and secondary sources of data, whether made available by the Companies. We have not independently verified the accuracy or timeliness of the same, and
- Other relevant information and documents for the purpose of this engagement, provided through emails or during discussions.
- We have also obtained the explanations, information, and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements and representatives of the Companies.



APPROACH AND METHODOLOGY

Considering the Share entitlement report issued by **Axiology Valuetech Private Limited Registered Valuer Entity**, related to the transaction, we understand that the scheme contemplates the demerger of Demerged Undertakings of KMSM into KMSAIL under Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

The three valuation approaches are the market approach, income approach and cost approach. There are various methods under these approaches which are commonly used for valuation purposes such as:

Under the Market Approach, the following methods are commonly used

- **Market Price Method**
- **Comparable Companies Multiple (CCM) Method**
- **Comparable Transaction Multiple Method**

Under the Income Approach, the following methods are commonly used

- **Discounted Cash Flow (DCF) Method**
- **Relief from the Royalty Method**
- **Multi-period Excess Earning Method**
- **Option Pricing Model**

Under the Cost Approach, the following methods are commonly used

- **Replacement Cost Method**
- **Reproduction Cost Method**

DETERMINATION OF SHARE ENTITLEMENT RATIO FOR DEMERGER OF BUSINESS UNDERTAKINGS OF KMSM into KMSAIL

Pursuant to the Scheme, the shareholders of the Resulting Company will consist exclusively of the shareholders of KMSM, with their shareholding pattern remaining identical to that of KMSM post-demerger. Additionally, the Resulting company are wholly owned subsidiary of KMSM before the demerger, shareholders' interest in KMSM indirectly includes their interest in this subsidiary in the same proportion. As a result, post-demerger shareholders will continue to hold an interest in the Resulting Companies in the same proportion as they previously held in KMSM.

Accordingly, the use of valuation methodologies in current valuation is not applicable and therefore, not carried out for these companies under generally accepted valuation approaches namely cost approach, income approach and market approach, being not applicable.

Determination of Share Entitlement Ratio for Demerger of Distillery Division into Resulting Company:

Based on the Scheme and discussions with the Management, we understand that:

- The Management is contemplating demerging the Distillery Division from Demerged Company into Resulting Company.
- KMSAIL is a wholly owned subsidiary of KMSM as of the date of this report.
- Upon the Scheme becoming effective, the equity shares held by K M Sugar and its nominees in KMSAIL will be cancelled and shareholders of KMSAIL will be entitled to the shares of the Resulting Company.



- Simultaneously and concurrent with the above cancellation upon the scheme becoming effective, shareholders of K M Sugar will be entitled to shares in K MSAIL.
- Upon the scheme becoming effective, the beneficial economic interest of the shareholders of K M Sugar in the paid-up equity share capital of K MSAIL would be the same as it is in the paid-up equity share capital of K MSAIL.
- Upon the Scheme becoming effective, all equity shares of the Resulting Company shall, subject to the execution of the listing agreement, be listed on the Stock exchanges, and/or admitted to trading if any.

The determination of share entitlement ratio would not impact the ultimate value for the shareholders of KMSM and the proposed demerger of the Distillery Division of KMSM into KMSAIL, will be value-neutral to KMSM's shareholders.

Based on the aforesaid discussion, considering that:

- a) All shareholders of KMSM are and will, upon demerger, become shareholders of KMSAIL, holding beneficial interest in the same proportion as they hold in KMSM; and
- b) The level of paid-up equity share capital with respect to the size of undertaking along with serviceability of capital; the following proposed share entitlement ratio is fair to the shareholders of KMSM in relation to the proposed demerger.

Therefore, the following is the fair exchange ratio in this case:

“1 (One) Equity Share of K M Spirits and Allied Industries of face value of INR 10/- each fully paid up for every 5 (Five) equity share of K.M. Sugar of face value of INR 2/- each fully paid up.”



SHARE ENTITLEMENT RATIO FOR DEMERGER

SHARE ENTITLEMENT RATIO FOR DEMERGER

SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, requires the valuation report for a Scheme of Arrangement to provide certain requisite information in a specified format.

The computation of Share Entitlement Ratio as derived is given below:

| Valuation Approach | K.M. Sugar Mills Limited (Demerged Company) | | K M Spirits And Allied Industries (Resulting Company) | |
|------------------------------|---|--------|---|--------|
| | Value per share (INR) | Weight | Value per share (INR) | Weight |
| Income Approach – DCF Method | xxx | xxx | xxx | xxx |
| Market Approach | | | | |
| · Market Price Method | xxx | xxx | xxx | xxx |
| · Multiples Method | xxx | xxx | xxx | xxx |
| Relative Value per Share | xxx | xxx | xxx | xxx |
| Swap Ratio (Rounded off) | XXX | | | |

RATIO:

“1 (One) Equity Share of K M SPIRITS AND ALLIED INDUSTRIES of face value of INR 10/- each fully paid up for every 5 (Five) equity share of K.M. Sugar Mills Limited of face value of INR 2/- each fully paid up”; and

“Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, we have reviewed the proposed Scheme, the Valuation Report dated 07th August 2025 of **Axiology Valuetech Private Limited, Registered Valuer Entity**, with respect to the share entitlement ratio aspects and consider it to be **fair and reasonable**”.



CAVEATS, LIMITATIONS AND DISCLAIMER

- We did not perform any valuation exercise related to the transaction. We performed detailed analysis based on information and documents received from the management and verified the rational of the calculation, decisions mentioned in valuation report.
- Our services do not represent valuation, accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- An opinion of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion.
- We have taken into account, in our analysis, such events and circumstances occurring after the Valuation Date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility for any events and circumstances occurring after the date of the report.
- The recommendation(s) rendered in this report only represent our recommendation(s) based upon information received from the management till the report date and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured Company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to be represented at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.





K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
 Phone : 7571000692, Email : director@kmsugar.com
 CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF K M SUGAR MILLS LIMITED ("DEMERGED COMPANY" / "THE COMPANY") UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 IN ITS MEETING HELD ON 7TH AUGUST, 2025

1. Background

- 1.1. A meeting of the Board of Directors of the Company ("Board") was held on 7th August, 2025, to consider and approve the proposed Scheme of Arrangement for Demerger of 'Distillery Division' ("Demerged Undertaking") of the Company into K M Spirits and Allied Industries Limited ("Resulting Company") and their respective shareholders and creditors under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("Scheme").
- 1.2. The salient features of the proposed Scheme, including the rationale of the proposed Scheme were noted by the Board.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirement of Section 232(2)(c) of the Companies Act 2013 explaining the effect of the proposed Scheme on each class of Shareholders (Promoters and non-promoter Shareholders), Creditors, Key Managerial personnel ('KMP'), Employees and Deposit Trustees, Debenture holders and Debenture Trustee.

2. Documents placed before the Board

- 2.1. While making recommendations on the Scheme, the Board considered and took on record the following documents:
 - a. Draft Scheme of Arrangement;
 - b. Share Entitlement Report dated August 07, 2025, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201) recommending the Share Entitlement Ratio in connection with the proposed Scheme;
 - c. Fairness opinion dated August 07, 2025 issued by Corporate Professionals Capital Private Limited, an independent SEBI Registered, Category-I, Merchant Banker



 

- (Registration No. INM000011435), providing its opinion on the fairness of the Share Entitlement Ratio as recommended in the Share Entitlement Report;
- d. Undertaking dated August 07, 2025 from the Managing Director of Demerged Company, on the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;
 - e. Certificate dated August 07, 2025 issued by Mehrotra & Mehrotra, Chartered Accountants, the Statutory Auditors of the Company certifying the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders ;
 - f. Certificate dated August 07, 2025 issued by Mehrotra & Mehrotra, Chartered Accountants, the Statutory Auditors of the Company, in accordance with Para A (2) (g) of the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the provisos to Section 230(7) and Section 232(3) of the Companies Act, 2013, certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

3. Rationale of the Scheme


The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and (2) Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

1. Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
2. Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities

as a separate entity.

3. The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (as defined hereinafter) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.
4. In order to provide enhanced focus to the operations of the Demerged Undertaking, the Companies have proposed to segregate and organize the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:
 - i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.
 - ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
 - iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a

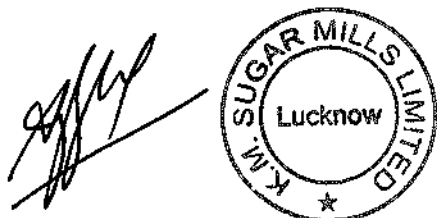


Distillery business-focused listed entity.


- iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
- v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
- vi. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
- vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent, and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.


4. Effect on Key Stakeholders

| S. No. | Category of Stakeholder | Effect of the proposed Scheme |
|--------|---|---|
| 1. | Shareholders (Promoter and non-promoter shareholders) | The Company only has Equity Shareholders and does not have any other class of shareholders. |



| | | |
|----|--|---|
| | | <p>Pursuant to the Scheme there shall be no change in the Equity Share Capital of the Company.</p> <p>Upon the Scheme becoming effective and in consideration of the demerger, transfer and vesting of the Undertaking (as defined under the Scheme), the Resulting Company shall allot equity shares to shareholders of the Company in the following ratio:</p> <p><i>“1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the ‘Resulting Company for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company”</i></p> <p>Considering the overall rationale and benefit of the Scheme, the Board is of the view that the Scheme is in the best interest of the shareholders of the Company.</p> |
| 2. | Key Managerial Personnel (“KMP”) and Directors | <p>The KMP and Directors of the Company will continue to hold their respective positions following the effectiveness of the proposed Scheme.</p> <p>Further, those KMP and Directors who are also shareholders will retain their shareholding in the Company and will be issued equity shares in the Resulting Company in accordance with the Share Entitlement Ratio specified in the proposed Scheme.</p> |
| 3. | Employees | <p>Upon the Scheme becoming effective, the Resulting Company will engage, without any interruption in service, all employees of the Demerged Company associated with the Demerged Undertaking (as mentioned in the Scheme) on terms no less favourable than their current terms. It will also honour all existing agreements or arrangements with such employees. Past service with the Demerged Company will be recognized for all employment-related benefits.</p> <p>The identification of employees forming part of the Demerged Undertaking shall be determined by the Board of the Demerged Company, and such determination shall be final and binding.</p> |





| | | |
|----|---|--|
| 4. | Creditors | The Scheme will have no prejudicial effect on the Creditors of the Company. No compromise is proposed to any creditors of the Company under the proposed Scheme. Upon the effectiveness of the proposed Scheme, the liabilities pertaining to the Demerged Undertaking shall be transferred to and discharged by the Resulting Company, and there is no reduction or extinguishment of such liabilities. The Resulting Company shall honour these obligations in the ordinary course of its business. Further, the Demerged Company will continue to discharge its obligations with respect to the Remaining Business (as defined in the Scheme) without any interruption. |
| 5. | Deposit Trustees, Debenture holders and Debenture Trustee | The Company has neither accepted any deposits nor issued any debentures. Accordingly, there are no related implications under the proposed Scheme. |

5. Valuation

For the proposed Scheme, the Share Entitlement Report has been obtained from Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201), wherein the following share entitlement ratio has been recommended in their report dated 7th August, 2025, in respect of the Scheme:

“1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the ‘Resulting Company for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company”

The registered valuer did not express any difficulties while determining the Share Entitlement Ratio and the same has been certified as fair by Corporate Professionals Capital Private Limited, SEBI Registered, Category-I, Merchant Banker by issuance of its Fairness Opinion on the said Share Entitlement Report and has been taken by the Board of the Company.

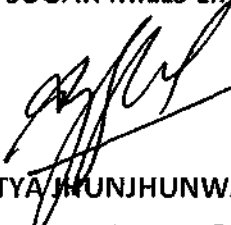



The Fairness opinion provided by Corporate Professionals Capital Private Limited, also does not indicate any special valuation difficulties.

6. Adoption of Report

The Board of the Company has adopted this report after noting and considering the information set forth in this report.

For and on behalf of
K M SUGAR MILLS LIMITED


ADITYA MUNJHUNWALA
MANAGING DIRECTOR
Din: 01686189



Date: 07.08.2025

K M Spirits and Allied Industries Limited

Regd. Office: 76, Eldeco Greens, Gomtinagar, Lucknow UP 226010 INDIA.

CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561

Mail id- kmspirits76@gmail.com

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF K M SPIRITS AND ALLIED INDUSTRIES LIMITED ("RESULTING COMPANY"/ "THE COMPANY") UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 IN ITS MEETING HELD ON 7th AUGUST, 2025.

1. Background

- 1.1.** A meeting of the Board of Directors of the Company ("Board") was held on 7th August, 2025, to consider and approve the proposed Scheme of Arrangement for Demerger of 'Distillery Division' ("Demerged Undertaking") of K M Sugar Mills Limited ("Demerged Company") into the Company and their respective shareholders and creditors under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ("Scheme").
- 1.2.** The salient features of the proposed Scheme, including the rationale of the proposed Scheme were noted by the Board.
- 1.3.** This report of the Board is accordingly being made in pursuance to the requirement of Section 232(2)(c) of the Companies Act 2013 explaining the effect of the proposed Scheme on each class of Shareholders (Promoters and non-promoter Shareholders), Creditors, Key Managerial Personnel ('KMP'), Employees and Deposit Trustees, Debenture holders and Debenture Trustee.

2. Documents placed before the Board

- 2.1.** While making recommendations on the Scheme, the Board considered and took on record the following documents:
 - a. Draft Scheme of Arrangement;
 - b. Share Entitlement Report dated August 07, 2025, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201) recommending the Share Entitlement Ratio in connection with the proposed Scheme;
 - c. Fairness opinion dated August 07, 2025 issued by Corporate Professionals Capital Private Limited, an independent SEBI Registered, Category-I, Merchant Banker (Registration No. INM000011435), providing its opinion on the fairness of the Share Entitlement Ratio as recommended in the Share Entitlement Report;

K M Spirits and Allied Industries Limited

Regd. Office: 76, Eldeco Greens, Gomtinagar, Lucknow UP 226010 INDIA.

CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561

Mail id- kmspirits76@gmail.com

- d. Certificate dated August 07, 2025 issued by Saurabh Gupta & Co., Chartered Accountants, the Statutory Auditors of the Company, in accordance with Para A (2) (g) of the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the provisos to Section 230(7) and Section 232(3) of the Companies Act, 2013, certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

3. Rationale of the Scheme

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and (2) Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

1. Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
2. Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities as a separate entity.
3. The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (*as defined hereinafter*) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.

K M Spirits and Allied Industries Limited

Regd. Office: 76, Eldeco Greens, Gomtinagar, Lucknow UP 226010 INDIA.

CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561

Mail id- kmspirits76@gmail.com

4. In order to provide enhanced focus to the operations of the Demerged Undertaking, the Companies have proposed to segregate and organise the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:
- i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.
 - ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
 - iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.
 - iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.

K M Spirits and Allied Industries Limited

Regd. Office: 76, Eldeco Greens, Gomtinagar, Lucknow UP 226010 INDIA.

CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561

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- v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
- vi. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
- vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent, and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.

4. Effect on Key Stakeholders

| Sno. | Category of Stakeholder | Effect of the proposed Scheme |
|-------------|---|---|
| 1. | Shareholders (Promoter and non-promoter shareholders) | <p>The Company is a wholly owned subsidiary of the Demerged Company. Upon the effectiveness of the Scheme all the equity shares of the Company held by the Demerged Company shall stand cancelled, without any consideration by operation of law.</p> <p>Further, upon the Scheme becoming effective and in consideration of the demerger, transfer and vesting of the Undertaking (as defined under the Scheme), the Company shall</p> |

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| | | |
|----|--|--|
| | | <p>allot equity shares to shareholders of the Demerged Company in the following ratio:</p> <p><i>“1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the ‘Resulting Company for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company”</i></p> <p>The shares to be allotted to the shareholders of the Demerged Company shall rank pari passu in all respects with the then existing shareholders of the Company.</p> <p>Considering the overall rationale and benefit of the Scheme, the Board is of the view that the Scheme is in the best interest of its sole shareholder, the Demerged Company.</p> |
| 2. | Key Managerial Personnel (“KMP”) and Directors | <p>The KMP and Directors of the Company will continue to hold their respective positions following the effectiveness of the proposed Scheme.</p> <p>No KMPs and directors are expected to have disproportionate advantage or disadvantage in any manner.</p> |
| 3. | Employees | <p>Under the Scheme, no rights of the staff and employees of the Company are being affected. The services of the staff and employees of the Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.</p> <p>Further, upon the Scheme becoming effective, the Company will engage, without any interruption in service, all employees of the Demerged Company associated with the Demerged Undertaking (as mentioned in the Scheme) on terms no less favourable than their current terms. It will also honour all existing agreements or arrangements with such employees. Past service with the Demerged Company will be recognized for all employment-related benefits.</p> |

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| | | |
|----|--|---|
| | | The identification of employees forming part of the Demerged Undertaking shall be determined by the Board of the Demerged Company, and such determination shall be final and binding. |
| 4. | Creditors | The Scheme will have no prejudicial effect on the Creditors of the Company. No compromise is proposed to any creditors of the Company under the proposed Scheme. The liability of the creditors of the Company, under the Scheme, is neither being reduced nor being extinguished and the Company shall pay off its creditors in its normal course of business. |
| 5. | Deposit Trustee, Debenture holders, and Debenture Trustee | The Company has neither accepted any deposits nor issued any debentures. Accordingly, there are no related implications under the proposed Scheme. |

5. Valuation

For the proposed Scheme, the Share Entitlement Report has been obtained from Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201), wherein the following share entitlement ratio has been recommended in their report dated 7th August, 2025, in respect of the Scheme:

"1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the 'Resulting Company for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company"

The registered valuer did not express any difficulties while determining the Share Entitlement Ratio and the same has been certified as fair by Corporate Professionals Capital Private Limited, SEBI Registered, Category-I, Merchant Banker by issuance of its Fairness Opinion on the said Share Entitlement Report and has been taken by the Board of the Company.

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The Fairness Opinion provided by Corporate Professionals Capital Private Limited, also does not indicate any special valuation difficulties.

6. Adoption of Report

The Board of the Company has adopted this report after noting and considering the information set forth in this report.

For and on behalf of
K M SPIRITS AND ALLIED INDUSTRIES LIMITED

[Sanjay Jhunjhunwala]

Director

Din: [01777954]

Date: 07.08.2025



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
Phone : 7571000692, Email : director@kmsugar.com
CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

To
The Board of Directors
K M SUGAR MILLS LIMITED
76, Eldeco Greens,
Gomtinagar, Lucknow,
Uttar Pradesh – 226010

Report of Audit Committee of K M Sugar Mills Limited on the Scheme of Arrangement for Demerger of 'Distillery Division' ('Demerged Undertaking') of K M Sugar Mills Limited ('Demerged Company'/'the Company') into K M Spirits and Allied Industries Limited ('Resulting Company').

A meeting of Audit Committee of K M Sugar Mills Limited ('the Company') was held on 7th August, 2025, to consider and recommend the proposed Scheme of Arrangement for Demerger of 'Distillery Division' ('Demerged Undertaking') of K M Sugar Mills Limited ('Demerged Company'/'the Company') into K M Spirits and Allied Industries Limited ('Resulting Company') under Sections 230 to 232 of the Companies Act, 2013 ('Scheme'/'Scheme of Arrangement'), in accordance with the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (SEBI Master Circular) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The report of the Company is being made in order to comply with the requirements of the aforesaid SEBI Master Circular. The Audit Committee has considered and reviewed the Scheme and drawn out the following major points:

1. Background:

1.1 Demerged Company:

K M SUGAR MILLS LIMITED (hereinafter also referred to as 'KMSML' or 'Demerged Company'), bearing CIN L15421UP1971PLC003492 was incorporated on 17th December 1971, under the provisions of Companies Act, 1956, having its registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh – 226010. The Demerged Company is engaged in diversified business of manufacturing and selling of sugar and other residual business including the running of a bagasse-based

cogeneration Power plant ('Sugar Manufacturing Division') and Distillery business including but not limited to manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). The Equity Shares of the Demerged Company are listed on the bourses of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

1.2 Resulting Company:

K M SPIRITS AND ALLIED INDUSTRIES LIMITED (hereinafter also referred to as 'KMSAIL' or 'Resulting Company') bearing CIN U15100UP2018PLC101321 was incorporated on 23rd February 2018, under the provisions of Companies Act, 2013, having its registered office at 76, Eldeco Greens Gomtinagar, Uttar Pradesh – 226010. The main object of the memorandum of association of the Resulting Company includes the manufacturing of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). The Resulting Company is a wholly owned subsidiary of the Demerged Company.

1.3 The Scheme inter alia, provides for the Demerger of Distillery *Division* of the Demerged Company into the Resulting Company as a going concern and in consideration, the consequent issuance of the equity shares of the Resulting Company to all the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio determined by the Independent Registered Valuer.

2. Following documents were placed before the Audit Committee:

- 2.1 Draft Scheme on the proposed Scheme of Arrangement for Demerger of 'Distillery Division' ('Demerged Undertaking') of K M Sugar Mills Limited ('Demerged Company/ 'the Company') into K M Spirits and Allied Industries Limited ('Resulting Company');
- 2.2 Share Entitlement Report containing the Share Entitlement Ratio dated 7th August, 2025, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201);
- 2.3 Fairness opinion dated August 07, 2025, obtained from Corporate Professional Capital Private Limited, SEBI Registered, Category-I, Merchant Banker;
- 2.4 Undertaking dated August 07, 2025 from Aditya Jhunjunwala, Managing Director, on the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;

- 2.5 Certificate of the statutory auditor dated 7th August, 2025 certifying the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;
- 2.6 Certificate dated 7th August, 2025 issued by Mehrotra & Mehrotra, Charter Accountants, the Statutory Auditors of the Company, in accordance with Para A (2) (g) of the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the provisos to Section 230(7) and Section 232(3) of the Companies Act, 2013, certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

3. Need and rationale of the Scheme is as follows:

The committee noted the rationale and benefit of the Scheme which, inter alia, are stated below:

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other residual business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division'), and (2) Distillery business including but not limited to manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

- 3.1 Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
- 3.2 Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities as a separate entity.
- 3.3 The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (*as defined in the Scheme*) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.
- 3.4 In order to provide enhanced focus to the operations of the Demerged Undertaking, the Companies have proposed to segregate and organise the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:

- i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.
- ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
- iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.
- iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
- v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
- vi. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
- vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent, and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.

4. Synergies of Business of the entities involved in the Scheme:

The Demerger will create a separate listed entity comprising of the Distillery business thereby unlocking the potential value of the Distillery Division for the Company's Shareholders. Further, The Audit Committee noted that the Scheme relates to the

demerger of the Distillery Division from the Demerged Company into the Resulting Company to create an independent listed company. The said demerger would entail the benefits specified in para 3 above.

The Demerged Undertaking operates as an independent, self-reliant, and integrated facility, with substantial growth potential. The Distillery business is expected to maintain operational efficiency and continuity post-demerger. The transfer of the Distillery Division from the Demerged Company to the Resulting Company is anticipated to be seamless, ensuring the preservation of existing synergies and minimal disruption to ongoing operations.

5. Cost Benefit Analysis of the Scheme:

After evaluation of the proposed draft Scheme, the Audit Committee is of the view that the benefits of the Scheme for the stakeholders of the Company in terms of sharpened focus and other benefits as specified in Paragraphs 3 above far outweigh the transaction costs for the implementation of the Scheme.

The present Scheme of Arrangement for Demerger is a tax neutral transaction. Further, the present Scheme of Arrangement for Demerger will unlock the value of the Distillery Division and achieve prosperity in this segment. Thus, the Audit Committee believes that the Scheme will be beneficial for the Demerged Company and Resulting Company.

6. Impact of the Scheme on the Shareholders:

The Audit Committee noted the following:

- 6.1 Upon the coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot equity shares credited as fully paid up equity shares, to the extent indicated below, on a proportionate basis to the members of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose name appear in the register of shareholders and records of the depository as shareholders of the Demerged Company as on a Record Date, in the ratio as under:

"1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company"

- 6.2 Simultaneously, the existing equity shares of the Resulting Company as held by the Demerged Company shall stand cancelled and the Resulting Company shall

issue its fresh equity shares to the shareholders of the Demerged Company in the same proportion in which they hold the equity shares in the Demerged Company as mentioned under para 6.1 above, thereby creating a replica shareholding structure in the Resulting Company.

- 6.3 Upon cancellation of the equity shares of the Resulting Company as held by the Demerged Company, the Resulting Company shall cease to be a wholly owned subsidiary of the Demerged Company and shall continue as a separate and independent entity.
- 6.4 Further, the shares issued as a consideration by Resulting Company to the shareholders of the Demerged Company pursuant to the Scheme shall be listed on BSE and NSE.

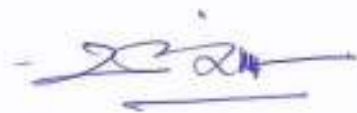
In light of the above, the Scheme will not adversely affect the rights or interest of any stakeholder of the Demerged Company including its shareholders or creditors.

7. Recommendations of the Audit Committee

Having considered the documents placed before the Committee i.e., draft Scheme, Share Entitlement Report, Fairness Opinion, Undertaking and Auditor's Certificate certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013, the Audit Committee hereby unanimously recommends the draft Scheme for favorable consideration of the Board of Directors of the Company, Stock Exchanges, and Securities and Exchange Board of India and such other Authorities, as applicable.

By the order of Audit Committee

For K M SUGAR MILLS LIMITED



Bibhas Kumar Srivastav
Director
DIN: 06533710
Chairman of the Meeting



Date: 7th August, 2025

Place: Lucknow



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
Phone : 7571000692, Email : director@kmsugar.com
CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

To,
The Board of Directors
K M SUGAR MILLS LIMITED
76, Eldeco Greens,
Gomtinagar, Lucknow,
Uttar Pradesh – 226010

Report on recommendations of the Independent Directors Committee of K M Sugar Mills Limited on the Scheme of Arrangement for Demerger of 'Distillery Division' ('Demerged Undertaking') of K M Sugar Mills Limited ('Demerged Company'/'the Company') into K M Spirits and Allied Industries Limited ('Resulting Company').

A meeting of Independent Director Committee of K.M. Sugar Mills Limited was held on 7th August, 2025 to consider and recommend the proposed Scheme of Arrangement for Demerger of 'Distillery Division' ('Demerged Undertaking') of K M Sugar Mills Limited ('Demerged Company'/'the Company') into K M Spirits and Allied Industries Limited ('Resulting Company') under Sections 230 to 232 of the Companies Act, 2013 ('Scheme'/'Scheme of Arrangement'), in accordance with the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (SEBI Master Circular) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The report of the Company is being made in order to comply with the requirements of the aforesaid SEBI Master Circular. The Independent Director committee has considered and reviewed the said Scheme of Arrangement and drawn out the following major points:

1. Background of the Companies involved in the proposed scheme:

- A. K M SUGAR MILLS LIMITED (hereinafter also referred to as 'KMSML' or 'Demerged Company'), bearing CIN L15421UP1971PLC003492, was incorporated on 17th December 1971, under the provisions of the Companies Act, 1956, having its registered office at 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh – 226010. The Demerged Company is engaged in a diversified business of manufacturing and selling sugar and other businesses, including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and Distillery business, manufacturing, selling and distributing the Rectified Spirit,

Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). The Equity Shares of the Demerged Company are listed on the bourses of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

- B. **KM SPIRITS AND ALLIED INDUSTRIES LIMITED (hereinafter also referred to as 'KMSAIL' or 'Resulting Company')** bearing CIN U15100UP2018PLC101321 was incorporated on 23rd February 2018, under the provisions of Companies Act, 2013, having its registered office at 76, Eldeco Greens Gomtinagar, Uttar Pradesh – 226010. The main object of the memorandum of association of the Resulting Company includes the manufacturing of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). The Resulting Company is a wholly owned subsidiary of the Demerged Company.

2. Following documents were placed before the Independent Director Committee:

- 2.1 Draft Scheme on the proposed Scheme of Arrangement for Demerger of 'Distillery Division' ('Demerged Undertaking') of K M Sugar Mills Limited ('Demerged Company/ 'the Company') into K M Spirits and Allied Industries Limited ('Resulting Company');
- 2.2 Share Entitlement Report containing the Share Entitlement Ratio dated 7th August, 2025, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201);
- 2.3 Fairness opinion dated August 07, 2025, obtained from Corporate Professional Capital Private Limited, SEBI Registered, Category-I, Merchant Banker;
- 2.4 Undertaking dated August 07, 2025 from Aditya Jhunjunwala, Managing Director, on the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;
- 2.5 Certificate of the statutory auditor dated August 07, 2025 certifying the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;

3. Salient features of Scheme of Arrangement:

The committee noted the following salient features of the scheme:

- 3.1 The Scheme, inter alia, provides for the Demerger of the Distillery Division of the Demerged Company into the Resulting Company as a going concern and in consideration, the consequent issuance of the equity shares of the Resulting Company to all the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio determined by the Independent Registered Valuer.
- 3.2 Simultaneously, with the aforesaid allotment of equity shares by the Resulting Company upon effectiveness of the Scheme, the existing equity shares of the Resulting Company as held by the Demerged Company shall stand cancelled and the Resulting Company shall issue its fresh equity shares to the shareholders of the Demerged Company in the same proportion in which they hold the equity shares in the Demerged Company thereby creating a replica shareholding structure in the Resulting Company.
- 3.3 Upon cancellation of the equity shares of the Resulting Company as held by the Demerged Company, the Resulting Company shall cease to be a wholly owned subsidiary of the Demerged Company and shall continue as a separate and independent entity.
- 3.4 Further, the shares issued as consideration by the Resulting Company to the shareholders of the Demerged Company pursuant to the Scheme shall be listed on BSE and NSE.

4. Need and Rationale of the Scheme of Arrangement:

The committee noted the rationale and benefit of the Scheme, which, inter alia, are stated below:

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other residual business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division'), and (2) Distillery business, manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

- 4.1 Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
- 4.2 Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities as a separate entity.

- 4.3 The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (*as defined in the Scheme*) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.
- 4.4 In order to provide enhanced focus to the operations of the Demerged Undertaking, the Companies have proposed to segregate and organise the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:
- i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.
 - ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
 - iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.
 - iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
 - v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
 - vi. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand

presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.

- vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent, and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.

Further, the listing of the equity shares of the Resulting Company on the stock exchanges on which shares of the Demerged Company are listed would help the shareholders of the Demerged Company to unlock the value of their shares.

5. Scheme Not Detrimental to the Shareholders of the Company:

The Audit Committee noted the following:

- 5.1 Upon the coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot equity shares credited as fully paid up equity shares, to the extent indicated below, on a proportionate basis to the members of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose name appear in the register of shareholders and records of the depository as shareholders of the Demerged Company as on a Record Date, in the ratio as under:
"1 (One) equity share of face value of Rs. 10/- (Rupees Ten) each at par in the 'Resulting Company' for every 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company"
- 5.2 Simultaneously, the existing equity shares of the Resulting Company as held by the Demerged Company shall stand cancelled and the Resulting Company shall issue its fresh equity shares to the shareholders of the Demerged Company in the same proportion in which they hold the equity shares in the Demerged Company as mentioned under para 5.1 above, thereby creating a replica shareholding structure in the Resulting Company.
- 5.3 Upon cancellation of the equity shares of the Resulting Company as held by the Demerged Company, the Resulting Company shall cease to be a wholly owned subsidiary of the Demerged Company and shall become a separate and independent entity.

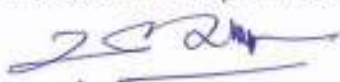
5.4 Further, the shares issued as consideration by the Resulting Company to the shareholders of the Demerged Company pursuant to the Scheme shall be listed on BSE and NSE.

In light of the above, the Scheme will not adversely affect the rights or interests of any stakeholder of the Demerged Company, including its shareholders or creditors.

6. Recommendation of the Independent Director Committee:

Having considered the documents placed before the Committee, i.e. draft Scheme, Share Entitlement Report, Fairness Opinion, the Independent Director Committee hereby unanimously recommends that the aforesaid Scheme of Arrangement for Demerger is not detrimental to the interest of the Shareholders of the Company.

For and on behalf of the Committee of Independent Directors of
K M SUGAR MILLS LIMITED



Bibhas Kumar Srivastav
DIN: 06533710
(Chairman of the meeting)



Place: Lucknow
Date: 07.08.2025



INDEPENDENT AUDITOR'S REPORT

To The Members of K M Sugar Mills Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **K M Sugar Mills Limited** ("*the Company*") and its subsidiary (the Company and its subsidiary together referred to as "*the Group*"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "*the consolidated financial statements*").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("*the Act*") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("*Ind AS*") and other accounting principles generally accepted in India, of the consolidate state of affairs of the Group as at March 31, 2025, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our



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Ritesh Singh

| Sl. No. | Key Audit Matter | How our audit addressed the Key Audit Matter |
|---------|---|--|
| 1 | <p>Valuation of inventory of sugar:</p> <p>As on March 31, 2025, the Company has inventory of sugar with a carrying value INR - 36022.42 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative value of inventory in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the Government in valuation of NRV.</p> | <p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, and notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year-end and comparison with cost for valuation of inventory is considered to be reasonable.</p> |
| 2 | <p>Contingent Liabilities:</p> <p>There are various litigations pending before various forums against the Company and management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.</p> | <p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> ❖ understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; ❖ discussed with management regarding any material developments and latest status of legal matters; ❖ read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the |



| | | |
|--|--|---|
| | | <p>management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities;</p> <ul style="list-style-type: none"> ❖ examining management's judgements and assessments whether provisions are required; ❖ considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote; ❖ reviewing the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p> |
|--|--|---|

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in



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the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matters

We did not audit the financial statements/ information of 1 (One) subsidiary, i.e. **K M Spirits and Allied Industries Limited**. The financial statements of K M Spirits & Allied Industries Limited reflect total assets of Rs.5.49 lakhs as at 31st March, 2025, total revenues of Rs.0.30 lakhs and net cash flows amounting to Rs.0.20 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Change in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2025 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.



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

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

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

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note - 38.5 to the consolidated financial statements;
- ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group;

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

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (a) and (b) above, contain any material misstatement.

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



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(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (a) and (b) above, contain any material misstatement.

- iv. In our opinion, the company has not declared and paid dividend during the year so this para is not applicable to the company.
- v. Based on our examination, which included test checks, performed by us on the Company and its subsidiaries incorporated in India, have used accounting software for maintaining their books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

For Mehrotra & Mehrotra
Chartered Accountants
(FRN: 000226C)


Sanjay K. Rai
Partner
M. No. 507946



Place: Lucknow
Date: 26.05.2025

UDIN: 25507946BMTCQY4952



Annexure - A to the Independent Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of **K M Sugar Mills Limited** ("the Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company and its subsidiary companies, which are companies incorporated in India.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting


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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mehrotra & Mehrotra

Chartered Accountants
(FRN: 000226C)


Sanjay K. Rai
Partner
M. No. 507946



Place: Lucknow
Date: 26.05.2025

UDIN: 25507946BMTTCQY4952



(Rs in lakhs)

| Particulars | Note No. | As at 31st March, 2025 | As at 31st March, 2024 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non current assets | | | |
| (a) Property, plant and equipment | 3 | 15,875.17 | 16,058.31 |
| (b) Capital work in progress | 3A | 748.61 | 1,175.51 |
| (c) Intangible assets | 3B | 4.94 | 3.83 |
| (d) Right-of-use-assets | 3C | 4,627.19 | 4,866.57 |
| (e) Financial assets | | | |
| (i) Investments | 4 | 7,059.56 | 7,506.13 |
| (ii) Loans | 5 | 1,124.25 | 1,037.61 |
| (iii) Other financial assets | 6 | 973.64 | 622.84 |
| (f) Non current tax assets (net) | 7 | 334.95 | 167.63 |
| (g) Other non current assets | 8 | 2,145.23 | 1,997.96 |
| Total non current assets | | 32,093.54 | 33,816.29 |
| (2) Current assets | | | |
| (a) Inventories | 9 | 36,720.55 | 38,398.93 |
| (b) Financial assets | | | |
| (i) Investments | 10 | 296.00 | 0.03 |
| (ii) Trade and other receivables | 11 | 839.01 | 2,933.27 |
| (iii) Cash and cash equivalents | 12 | 384.97 | 727.21 |
| (iv) Bank balances other than cash and cash equivalents | 12A | 460.18 | 385.33 |
| (v) Loans | 13 | 550.00 | 870.00 |
| (vi) Other financial assets | 14 | 2.33 | 10.05 |
| (c) Other current assets | 15 | 842.24 | 1,081.73 |
| Total current assets | | 40,095.28 | 44,406.55 |
| Total assets | | 72,988.82 | 77,922.84 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 16 | 1,840.00 | 1,840.00 |
| (b) Other equity | 17 | 32,019.38 | 28,481.34 |
| Total equity | | 33,859.38 | 30,321.34 |
| LIABILITIES | | | |
| (1) Non current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 1,908.61 | 2,805.49 |
| (ii) Other financial liabilities | 19 | 33.08 | 51.44 |
| (b) Other non current liabilities | 20 | 14.50 | 14.50 |
| (c) Deferred tax liabilities (net) | 21 | 759.67 | 782.01 |
| (d) Provisions | 22 | 495.24 | 489.02 |
| Total non current liabilities | | 3,211.10 | 4,142.46 |
| (2) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 26,276.63 | 26,307.05 |
| (ii) Trade and other payables | 24 | 8,191.96 | 15,460.88 |
| (iii) Other financial liabilities | 25 | 1,138.80 | 1,115.23 |
| (b) Other current liabilities | 26 | 218.33 | 499.83 |
| (c) Provisions | 22 | 92.62 | 76.05 |
| Total current liabilities | | 35,918.34 | 43,459.04 |
| Total equity and liabilities | | 72,988.82 | 77,922.84 |

Corporate Information

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Significant Accounting Policies and accompanying notes 2 to 37 form an integral part of standalone financial statements.

As per our report of even date attached

For Mehrotra & Mehrotra
Chartered Accountants
F.R. No. 0226C
CA. Sanjay K. Rai
Partner
M.No.507946



For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02561954

Aditya Mishra
Managing Director
DIN-01686189

A. K. Gupta
Chief Financial Officer

Pooja Dua
Company Secretary
M. No. A50996

Place : Lucknow
Date : 26th May, 2025



(Handwritten signature)



K M Sugar Mills Limited
Registered office: 76, Eldeco Greens, Gomtinagar, Lucknow-226010 (UP)
CIN : L15421UP1971PLC003492, website:www.kmsugar.com
Consolidated Statement of Profit and Loss for the year ended 31st March, 2025

(Rs. In lakhs)

| Particulars | | Note No. | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
|-------------|---|----------|-----------------------------|-----------------------------|
| I | Revenue From Operations | 27 | 65,900.52 | 65,715.93 |
| II | Other Income | 28 | 737.32 | 849.34 |
| III | Total Income (I+II) | | 66,637.84 | 66,565.27 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 29 | 42,936.52 | 51,513.78 |
| | Purchase of stock in trade | 30 | 48.37 | 46.00 |
| | Changes in inventories of finished goods, by-products and work-in-progress | 31 | 1,668.54 | (3,007.29) |
| | Employee benefit expenses | 32 | 2,192.90 | 2,030.49 |
| | Finance costs | 33 | 1,816.55 | 1,654.29 |
| | Depreciation and amortisation expenses | 34 | 2,196.75 | 2,259.08 |
| | Other expenses | 35 | 10,886.21 | 8,157.66 |
| | Total expenses | | 61,745.84 | 62,654.01 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | | 4,892.00 | 3,911.26 |
| VI | Exceptional Items | | - | - |
| VII | Profit/(loss) before tax (V-VI) | | 4,892.00 | 3,911.26 |
| VIII | Tax expenses : | 36 | | |
| | Current tax | | 1,328.56 | 1,045.04 |
| | Tax expense of earlier year | | 25.82 | 2.64 |
| | Deferred tax | | (17.60) | 54.29 |
| | | | 1,336.78 | 1,101.97 |
| IX | Profit (Loss) for the period (VII-VIII) | | 3,555.22 | 2,809.29 |
| X | Other Comprehensive Income : | | | |
| | (i) Items that will not be reclassified to profit and loss : | | | |
| | Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation | | (18.91) | (18.84) |
| | Gain / (Loss) arising on fair valuation of equity instruments | | 0.14 | (4.14) |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | | 4.73 | 5.57 |
| | | | (14.04) | (17.41) |
| XI | Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period) | | 3,541.18 | 2,791.88 |
| XII | Earnings per equity share (Equity share of Rs. 2/- each) | | | |
| | (1) Basic | | 3.86 | 3.05 |
| | (2) Diluted | | 3.86 | 3.05 |

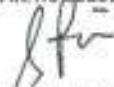
Corporate Information

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Significant Accounting Policies and accompanying notes 2 to 37 form an integral part of standalone financial statements

As per our report of even date attached

For Mehrotra & Mehrotra
Chartered Accountants
P.R. No. B226C


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



For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954


Alitya Jhunjhunwala
Managing Director
DIN-01686189


A. K. Gupta
Chief Financial Officer


Pooja Dua
Company Secretary
M. No. A50996

Place : Lucknow
Date : 26th May, 2025







K M Sugar Mills Limited
Registered office: 76, Eldeco Greens, Gomtinagar, Lucknow-226010 (UP)
CIN : L15421UP1971PLC003492, website:www.kmsugar.com
Consolidated Statement of Cash Flows for the year ended 31st March, 2025

(Rs. in lakhs)

| S.No. | Particulars | Year ended | |
|-----------|---|-------------------|-------------------|
| | | 31st March, 2025 | 31st March, 2024 |
| A. | Cash flow from operating activities | | |
| | Profit before tax | 4,892.00 | 3,911.26 |
| | <i>Adjustment to reconcile profit before tax to net cash flow provided by operating activities:</i> | | |
| | Depreciation and amortisation expense | 2,196.75 | 2,259.08 |
| | Finance costs | 1,816.55 | 1,654.29 |
| | Transfer to storage fund for molasses | 2.83 | 3.03 |
| | Provision/(reversal) of doubtful debts | 4.45 | (0.70) |
| | Balances written off | 7.28 | 7.97 |
| | Interest Income | (389.72) | (412.55) |
| | Government Grant | (29.48) | (118.58) |
| | Storage fund for molasses written back | (5.98) | - |
| | Fair valuation on investment and others | 181.81 | (4.61) |
| | Loss/(Profit) on sale of property, plant and equipments | 147.17 | 97.08 |
| | Unspent liabilities/balances written back | (13.66) | (51.92) |
| | Other measurement income | (30.95) | (32.88) |
| | Other measurement expenses | 27.43 | 22.52 |
| | Remeasurement of defined benefit obligation | (18.91) | (18.84) |
| | Operating Profit before working capital changes | 8,787.57 | 7,315.15 |
| | <i>Adjustment to reconcile operating profit to cash flow</i> | | |
| | (Increase)/Decrease in trade and other receivables | 2,094.26 | (2,329.20) |
| | (Increase) / Decrease in inventories | 1,678.38 | (3,084.03) |
| | (Increase) / Decrease in Non current Assets | (186.43) | (1.04) |
| | (Increase) / Decrease in Current | 120.58 | (87.79) |
| | (Increase) / Decrease in Non current Financial Assets | (349.85) | 46.77 |
| | (Increase) / Decrease in Current Financial Assets | (50.82) | (724.95) |
| | Increase / (Decrease) in trade payables & Others | (7,255.26) | 2,455.73 |
| | Increase / (Decrease) in non current liabilities | - | 89.10 |
| | Increase / (Decrease) in current | (252.02) | 87.66 |
| | Increase / (Decrease) in Other Non current Financial Liabilities | (18.36) | 14.50 |
| | Increase / (Decrease) in Other current Financial Liabilities | 64.17 | (22.89) |
| | Increase / (Decrease) in Non Current Provisions | 6.22 | 7.62 |
| | Increase / (Decrease) in Current Provisions | 16.57 | (13.48) |
| | | (4,132.56) | (3,561.92) |
| | Cash generated from operations | 4,655.01 | 3,753.23 |
| | Tax expense | (1,521.70) | (877.18) |
| | Net cash generated from operating activities (A) | 3,133.31 | 2,876.05 |
| B. | Cash Flow from investing activities | | |
| | Addition to property, plant and equipment (including capital work in progress) (Net) | (1,537.22) | (2,583.71) |
| | Proceed from Sale of property, plant and equipment | 41.51 | 15.82 |
| | Investment in equity and other (Net) | 348.92 | (1,295.00) |
| | Interest income received | 424.74 | 447.37 |
| | | (722.05) | (3,415.52) |



| | | | | |
|----|---|------------|------------|--------|
| | Net cash used in investing activities (B) | | | |
| C. | Cash flow from financing activities | | | |
| | Proceed/(Repayments) of long term borrowings | (1,152.06) | (2,679.29) | |
| | Proceeds/(Repayments) of short term borrowings | 224.76 | 4,977.23 | |
| | Finance cost paid | (1,826.20) | (1,617.33) | 680.61 |
| | Net cash from financing activities (C) | | | |
| | Net increase in cash & cash equivalents (A+B+C) | | (342.24) | 141.14 |
| D. | Opening cash and cash equivalents | | 727.21 | 586.07 |
| E. | Closing cash and cash equivalents for the purpose | | 384.97 | 727.21 |
| | Increase in cash & cash equivalents (D-E) | | (342.24) | 141.14 |

Notes:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian

2) Cash and cash equivalents at year end comprises:

| | | |
|---|---------------|---------------|
| Cash on hand | 5.19 | 5.34 |
| Cheque on hand | 308.00 | - |
| Balances with Banks | 71.78 | 101.02 |
| Fixed deposit with Bank original maturity upto 3 months | - | 620.85 |
| Supplementary Information | <u>384.97</u> | <u>727.21</u> |

- Restricted Cash Balance (Note 12A)*

* amount not included in cash and cash equivalent

As per our report of even date attached

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

CA Sanjay K. Rai
Partner
M.No.507946



For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

A. K. Gupta
Chief Financial Officer

Aditya Jhunjhunwala
Managing Director
DIN-01606189

Pooja Dua
Company Secretary
M. No. A50996

Place : Lucknow
Date : 26th May, 2025



K.M SUGAR MILLS LIMITED
CIN : L15421UP1971PLC003492

Consolidated Statement of change in equity

(a) Equity Share Capital

(Rs. in lakhs)

| | As at 31st March, 2025 | Change during the year | As at 31st March, 2024 | Change during the year | As at 31st March, 2023 |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Balance of Equity Share Capital | 1,840.00 | - | 1,840.00 | - | 1,840.00 |
| | 1,840.00 | - | 1,840.00 | - | 1,840.00 |

(b) Other equity

(Rs. in lakhs)

| Description | General Reserve | Molasses Storage Fund | Sugar Price Equalisation Reserve | Securities Premium Account | Retained Earning | Items of Other Comprehensive Income | | | Total |
|---------------------------------|-----------------|-----------------------|----------------------------------|----------------------------|------------------|-------------------------------------|----------------|---|-----------|
| | | | | | | Revaluation reserve | FVTOCI reserve | Gain / Loss arising on actuarial valuation of defined benefit | |
| As at April 01, 2023 | 1,179.90 | 27.55 | 12.40 | 2,688.01 | 15,902.26 | 6,068.93 | (85.24) | (107.38) | 25,686.43 |
| Profit for the period | - | - | - | - | 2,809.29 | - | - | - | 2,809.29 |
| Other Comprehensive Income | - | - | - | - | - | - | (3.31) | (14.10) | (17.41) |
| Transfer to Molasses Fund | - | 3.03 | - | - | - | - | - | - | 3.03 |
| Transfer to retained earning | - | - | - | - | 0.85 | (0.85) | - | - | - |
| As at 31st March, 2024 | 1,179.90 | 30.58 | 12.40 | 2,688.01 | 18,712.40 | 6,068.08 | (88.55) | (121.48) | 28,481.34 |
| Profit for the period | - | - | - | - | 3,555.22 | - | - | - | 3,555.22 |
| Other Comprehensive Income | - | - | - | - | - | - | 0.11 | (14.15) | (14.04) |
| Total Comprehensive Income | 1,179.90 | 30.58 | 12.40 | 2,688.01 | 22,267.62 | 6,068.08 | (88.44) | (135.63) | 32,022.52 |
| Transfer to General Reserve | 8,820.10 | - | - | - | (8,820.10) | - | - | - | - |
| Transfer to Molasses Fund | - | 2.84 | - | - | - | - | - | - | 2.84 |
| Storage fund of molasses w/back | - | (5.98) | - | - | - | - | - | - | (5.98) |
| Transfer to retained earning | - | - | - | - | 1,433.10 | (1,433.10) | - | - | - |
| As at March 31, 2025 | 10,000.00 | 27.44 | 12.40 | 2,688.01 | 14,880.62 | 4,634.98 | (88.44) | (135.63) | 32,019.38 |

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


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




Place : Lucknow
Date : 26th May, 2025

For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954


A.K. Gupta
Chief Financial Officer


Aditya Manjhanwala
Managing Director
DIN-01686189


Pooja Dua
Company Secretary
M. No. A50996



1. Corporate Information

The consolidated financial statements comprise financial statements of K M Sugar Mills Limited ("the Company" or "the Parent") and a subsidiary; K M Spirits and Allied Industries Ltd. for the year ended 31st March, 2025.

K M Sugar Mills Limited ("the Company") having Corporate Identity Number ("CIN") L15421UP1971PLC003492 is a public limited company incorporated and domiciled in India and has its registered office situated at 76, Eldeco Greens, Gomtinagar, Lucknow-226010, Uttar Pradesh India.

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

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

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

2.2 Basis of Preparation of Consolidated Financial Statements

a) Basis of Presentation

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

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

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

All assets and liabilities have been classified as current or non-current as per group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.



b) Basis of Consolidation

Consolidated financial statement related to KM Sugar Mills Limited ("The Company" and its subsidiary (collectively referred as the Group).

In the case of subsidiary, control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee specifically, the group controls as investee if and only if the group has:

- Power over the investee (i.e. existing right that give it the current ability to direct the relevant activities of the investee;
- Exposure, or right, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control.

Consolidation of subsidiary begins when the group obtains control over the subsidiary and ceases when the group losses control of the subsidiary Assets, Liabilities, Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statement from the date the group gains control until the date the group ceases to control the subsidiary

Consolidation Financial statements are prepared using accounting policies for like transaction and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidation financial statement for like transaction and event in similar circumstances, appropriate adjustment are made to the group member's financial statement in preparing the consolidation financial statement to ensure conformity with the group accounting policies

The Consolidated financial statements of all entities used for the purposes of consolidation are drawn up to same reporting date as that of the parent company i.e. year ended on March 31.

Profit or loss each component of other comprehensive income (OCI) are attributed to the owners of the company and to the non controlling interest. Total comprehensive income of subsidiaries attributed to the owner of the company and to the non controlling interest even if this results in the non controlling interest having a deficit balance

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

| Name of Entity | Relationship | Country of Incorporation | % of Holding and voting power Directly as at 31 March 2025 |
|---------------------------------------|---------------------------------|--------------------------|--|
| KM Spirits and Allied Industries Ltd. | Wholly Owned Subsidiary Company | India | 100% |

c) Consolidation procedure

The consolidation financial statement relate to KM Sugar Mills Limited ("the company) and the subsidiary company. The Consolidated financial statements have been prepared on the following basis:

- i. The financial statement of the company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra group balances and intra group transaction.
- ii. Profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full.



- iii. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iv. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- v. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on date of disposal is recognized in Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- vi. Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to owners of the Company.
- vii. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the owners of the Company.

2.3 Use of Estimates

The preparation of the Financial Statements in conformity with measurement principle under Ind AS requires the management to make estimates, judgment and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

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

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

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

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

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

(ii) Current taxes and deferred taxes

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

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



(iii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(iv) Estimated fair value of unlisted securities

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

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

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

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

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

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

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

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



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

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

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

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

The estimated useful lives considered are as follows:

| Category | 31 st March, 2025 |
|--|------------------------------|
| Buildings | 03-60 years |
| Roads | 03-10 years |
| Plant & Machinery | 05-25 years |
| Furniture & Fixtures | 10 years |
| Vehicles | 05-10 years |
| Office Equipments | 5 years |
| Computers | 03-06 years |
| Laboratory Equipments | 05-10 years |
| Electrical Installations and Equipment | 10 years |

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

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

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

(d) Expenditure during construction period

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

2.5 Intangible assets

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



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

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

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

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

2.6 Revenue Recognition and Expenses

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

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

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

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

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

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



2.7 Inventory

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

Inventories are valued as under:

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

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

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

2.8 Fair value measurement

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

2.9 Financial Instruments

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

A. Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

8



Debt instruments at amortised cost

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

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

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

Equity investments

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

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

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

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

Preference Share

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

De-recognition

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

B. Financial liabilities

Initial recognition and measurement

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



Subsequent measurement

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

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

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

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

Derecognition of financial liabilities:

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

C. Offsetting of financial instruments

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

2.10 Employees Benefits

(i) Short term employee benefits

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

(ii) Post employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of



service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

Actuarial gains and losses are recognized in the other comprehensive income

(iii) Long term employment benefits

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

(iv) Compensated absences

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

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

2.11 Borrowing Costs

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

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

2.12 Dividend Payable

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



2.13 Government Grants

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

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

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

2.14 Financial Derivatives and Commodity Hedging Transactions

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

2.15 Foreign Currency Transactions and Translations

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

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

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

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

2.16 Taxes on Income

(a) Current Tax

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

(b) Deferred Tax

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

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



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

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

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

2.17 Impairment of Assets

Non financial Assets

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

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

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

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

Financial Assets

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

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

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

2.18 Provisions, Contingent Liabilities and Contingent Assets

- (a) Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- (b) Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (c) Provisions are not recognized for future operating losses.
- (d) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.



(e) A contingent asset is not recognized in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.

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

2.19 Investment Property

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

(a) use in the production or supply of goods or services or for administrative purposes; or

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

2.20 Segment Reporting

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

2.21 Earnings Per Share

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

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

2.22 Cash and Cash Equivalents

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

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

2.23 Cash Flow Statement

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



2.26 Leases

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

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

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

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

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

Company as a lessee

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

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and



remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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

Company as a lessor

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

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


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



For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954


Aditya Jhunjunwala
Managing Director
DIN-01686189


A K Gupta
Chief Financial Officer


Pooja Dua
Company Secretary
M.No-A50996

Place: Lucknow
Date: 26th May, 2025







K M Sugar Mills Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2025

(Rs. in lakhs)

Note 3: Property, Plant and Equipment

| Particulars | Land (Free hold) | Building | Plant and equipment | Furniture & fixtures | Vehicles | Office equipments | Computers | Total |
|------------------------------------|---------------------|-----------------|------------------------|-------------------------|-----------------|----------------------|---------------|------------------|
| Gross Block | | | | | | | | |
| Balance as at 1st April,23 | 930.78 | 1,418.03 | 36,162.81 | 553.19 | 1,076.37 | 163.39 | 129.84 | 40,434.41 |
| Additions | - | 12.72 | 1,813.21 | 23.23 | - | 7.92 | 2.91 | 1,859.99 |
| Disposal/Deduction | - | - | 979.09 | - | 2.92 | - | - | 982.01 |
| Balance as at 31st March,24 | 930.78 | 1,430.75 | 36,996.93 | 576.42 | 1,073.45 | 171.31 | 132.75 | 41,312.39 |
| Additions | 20.27 | 98.98 | 1,576.09 | 24.68 | 225.91 | 12.62 | 2.07 | 1,960.62 |
| Disposal/Deduction/Adjustment | - | - | 528.06 | 1.24 | 13.30 | 3.28 | - | 545.88 |
| Balance as at 31st March,25 | 951.05 | 1,529.73 | 38,044.96 | 599.86 | 1,286.06 | 180.65 | 134.82 | 42,727.13 |
| Accumulated depreciation | | | | | | | | |
| Balance as at 1st April,23 | - | 896.73 | 21,574.23 | 450.54 | 927.15 | 140.52 | 119.83 | 24,109.00 |
| Depreciation for the year | - | 116.89 | 1,808.02 | 30.40 | 43.26 | 10.44 | 5.26 | 2,014.27 |
| Disposal/Deduction | - | - | 866.31 | - | 2.78 | - | - | 869.09 |
| Balance as at 31st March,24 | - | 1,013.62 | 22,515.94 | 480.94 | 967.63 | 150.96 | 125.09 | 25,254.18 |
| Depreciation for the year | - | 49.52 | 1,823.80 | 26.09 | 42.67 | 10.14 | 2.76 | 1,954.98 |
| Disposal/Deduction | - | - | 340.80 | 1.21 | 12.00 | 3.19 | - | 357.20 |
| Balance as at 31st March,25 | - | 1,063.14 | 23,998.94 | 505.82 | 998.30 | 157.91 | 127.85 | 26,051.96 |

Net Carrying amount - Property, Plant and Equipment

| Net Carrying Amount | Land (Free hold) | Building | Plant and equipment | Furniture & fixtures | Vehicles | Office equipments | Computers | Total |
|------------------------|---------------------|----------|------------------------|-------------------------|----------|----------------------|-----------|-----------|
| As at 31st March, 2024 | 930.78 | 417.13 | 14,480.99 | 95.48 | 105.82 | 20.35 | 7.66 | 16,058.21 |
| As at 31st March, 2025 | 951.05 | 466.59 | 14,046.02 | 94.04 | 287.76 | 22.74 | 6.97 | 15,875.17 |

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



K M Sugar Mills Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2025

Note 3A Capital work in progress

| <i>(Rs. in lakhs)</i> | |
|--------------------------------|----------|
| Balance as at 01st April, 2023 | 453.18 |
| Additions | 2,379.54 |
| Capitalisation | 1,657.21 |
| Balance as at 31st March, 2024 | 1,175.51 |
| Additions | 1,156.25 |
| Capitalisation | 1,583.15 |
| Balance as at 31st March, 2025 | 748.61 |

Refer note no. 38.26 for ageing

Note 3B Intangible Assets

| <i>(Rs. in lakhs)</i> | |
|--|--------|
| Description | Amount |
| Gross carrying amount as at 01st April, 2023 | 36.07 |
| Additions | 1.39 |
| Deductions | - |
| Balance as at 31st March, 2024 | 37.46 |
| Additions | 3.50 |
| Deductions | - |
| Balance as at 31st March, 2025 | 40.96 |
| Acumulated depreciation as at 01st April, 2023 | 32.36 |
| Depreciation for the year | 1.27 |
| Deductions | - |
| Balance as at 31st March, 2024 | 33.63 |
| Depreciation for the year | 2.39 |
| Balance as at 31st March, 2025 | 36.02 |
| Net carrying amount | |
| As at 31st March, 2024 | 3.83 |
| As at 31st March, 2025 | 4.94 |

Note 3C Right-of-use-assets*

| <i>(Rs. in lakhs)</i> | |
|--|----------|
| Description | Amount |
| Gross carrying amount as at 01st April, 2023 | 6,071.16 |
| Additions | - |
| Deductions | 7.69 |
| Balance as at 31st March, 2024 | 6,063.47 |
| Additions | - |
| Deductions | - |
| Balance as at 31st March, 2025 | 6,063.47 |
| Acumulated depreciation as at 01st April, 2023 | 957.52 |
| Depreciation for the year | 243.54 |
| Deductions | 4.16 |
| Balance as at 31st March, 2024 | 1,196.90 |
| Depreciation for the year | 239.38 |
| Deductions | - |
| Balance as at 31st March, 2025 | 1,436.28 |
| Net carrying amount | |
| As at 31st March, 2024 | 4,866.57 |
| As at 31st March, 2025 | 4,627.19 |

* Refer note no.37.26

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Note 4 Non-current Investments

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| (i) Equity Instruments | | |
| Designated at Fair Value through other comprehensive income | | |
| Unquoted | | |
| (a) 1,000 shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd. | 0.23 | 0.10 |
| (b) 25,000 shares having face value Rs.10 each in K.M. Shakar Karkhana Pvt Ltd. | - | - |
| (c) 2,000 shares having face value of Rs. 10 each in HH | - | - |
| (d) 10,90,000 shares having face value of Rs. 10 each in Sonar Casting Ltd. | - | - |
| (ii) Preference share (Measured at fair value) | | |
| In 12.50% Non-cumulative redeemable preference shares fully paid up | | |
| 4,96,00,000 (4,58,50,000) Preference Shares having face value of Rs.10 each in Sonar Casting Ltd. | 4,709.33 | 4,585.00 |
| In 9% Non-cumulative redeemable preference shares fully paid up | | |
| (a) 38,50,000 preference shares having face value of Rs. 10 each in Brahma Properties Pvt. Ltd. | - | 345.46 |
| (b) 33,89,215 preference shares having face value of Rs. 10 each in K M Energy Pvt. Ltd. | - | 305.57 |
| (iii) In 8% Optionally fully convertible debenture fully paid up | | |
| Measured at cost | | |
| 2,350 (2,350) Optionally fully convertible Debenture with face Value of Rs.1,00,000 each in K M Strategic Investments & Holdings Pvt. Ltd. | 2,350.00 | 2,350.00 |
| Total | 7,059.56 | 7,586.13 |
| Aggregate carrying value of unquoted investments | 7,059.56 | 7,586.13 |
| Aggregate fair value of unquoted investments | 7,059.56 | 7,586.13 |

Note 5 Non-current Loans

| | (Rs. in lakhs) | |
|----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Carried at cost | | |
| Unsecured, considered good | | |
| Loan to a related party | 1,124.25 | 1,037.61 |
| Total | 1,124.25 | 1,037.61 |

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K M Sugar Mills Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2025

Note 6 Other non-current financial assets

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good: | | |
| Security deposits | 40.34 | 342.85 |
| Fixed deposit with banks | | |
| Original maturity more than 12 months | 742.95 | 18.95 |
| Fixed deposit (Earmarked) | | |
| Original maturity more than 12 months * | 175.45 | 252.11 |
| For molasses storage fund maturing after 12 months | 6.50 | 5.50 |
| Interest accrued on fixed deposits with banks | 8.40 | 3.43 |
| Total | 973.64 | 622.84 |

*Held with banks and Government departments

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

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Advance Tax | 1,583.43 | 1,133.44 |
| TDS and TCS Receivable | 80.08 | 79.23 |
| | 1,663.51 | 1,212.67 |
| Less:- Provision for Income Tax for current year | 1,328.56 | 1,045.04 |
| Total | 334.95 | 167.63 |

Note 8 Other Non Current Assets

| | (Rs. in lakhs) | |
|--------------------------------------|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good: | | |
| Capital advances | 2,072.39 | 1,909.16 |
| Advance to suppliers and others | | |
| Considered Good | | |
| Considered doubtful | 47.23 | 42.85 |
| Less: Allowance for doubtful advance | 47.23 | 42.85 |
| Others | 3.01 | 3.01 |
| Duties and Taxes Paid under protest | - | 1.34 |
| Prepaid Expenses | 69.83 | 84.45 |
| Total | 2,145.23 | 1,997.96 |

Note 9 Inventories

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| (As taken, valued and certified by the Management) | | |
| (a) Raw materials | - | 4.34 |
| (b) Finished Goods * | 36,022.42 | 37,098.06 |
| (c) Work in progress | - | 592.90 |
| (d) Stores and spares | 698.13 | 703.63 |
| Total | 36,720.55 | 38,398.93 |

(Refer Note No. 2.7 for Method of Valuation)

Note 10 Current Investments

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Designated at fair value through OCI | | |
| Investment in SBI Mutual Fund | | |
| 200.00 (Previous year 200.00) units of SBI Balanced Advantage Fund | 0.03 | 0.03 |
| 6,46,416.306 (Previous year Nil) units of SBI Equity Saving Fund | 146.86 | - |
| 2,35,441.161 (Previous year Nil) units of HDFC Equity Saving Fund | 149.11 | - |
| Total | 296.00 | 0.03 |



K M Sugar Mills Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2025

Note 11 Trade and other receivables

| | (Rs. in lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good: | | |
| Trade receivables | | |
| Includes unbilled revenue of Rs.135.70 lakhs (previous year Rs.144.13 Lakhs) | 839.01 | 2,933.27 |
| Credit impaired | 16.01 | 15.94 |
| | 855.02 | 2,949.21 |
| Less:- Allowance for doubtful debts | 16.01 | 15.94 |
| Total | 839.01 | 2,933.27 |

Refer note no. 37.29 for ageing schedule. Includes receivable Rs.0.51 lakhs from related party(s) (Previous year Rs.2225.41)

Note 12 Cash and cash equivalents

| | (Rs. in lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Balances with Banks | 71.78 | 101.02 |
| Fixed deposit with Bank original maturity upto 3 months | - | 620.85 |
| Cheques on Hand | 308.00 | - |
| Cash on hand* | 5.19 | 5.34 |
| Total | 384.97 | 727.21 |

*As certified by the management

Note 12A Bank balances other than cash and cash equivalents

| | (Rs. in lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Fixed deposits with banks (Earmarked) | | |
| Pledged with bank maturing within 12 months | 412.47 | 208.34 |
| Pledged with bank for bank guarantee maturing within 12 months* | 11.69 | 107.98 |
| For security with Government authorities maturing within 12 months* | 11.51 | 41.24 |
| For molasses storage fund original maturity period upto 12 months** | 23.20 | 26.46 |
| Unpaid dividend accounts | 1.31 | 1.31 |
| Total | 460.18 | 385.33 |

*Held with banks and Government departments

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

Note 13 Loans

| | (Rs. in lakhs) | |
|----------------------------|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good | | |
| Loans and advances | | |
| Loan to a related party | 550.00 | 870.00 |
| Total | 550.00 | 870.00 |

Note 14 Other financial assets

| | (Rs. in lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good | | |
| Interest accrued on fixed deposits with banks | 2.33 | 10.05 |
| Total | 2.33 | 10.05 |



Note 15 Other current assets

| | (Rs. in lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good unless stated otherwise | | |
| Security Deposit | | |
| Unsecured, considered good | 26.87 | 26.87 |
| Credit impaired | 16.00 | 16.00 |
| | 42.87 | 42.87 |
| Less: Allowance for expected credit loss | 16.00 | 16.00 |
| | 26.87 | 26.87 |
| Interest receivable from related parties | - | 118.91 |
| GST and other taxes receivable | 54.13 | 155.38 |
| Advance to employees | 23.20 | 15.79 |
| Advances for supply of goods & services | 204.31 | 89.05 |
| Prepaid Expenses | 266.23 | 353.04 |
| CSR Pre-Spent* | 164.00 | 219.00 |
| Others | 103.50 | 103.69 |
| Total | 842.24 | 1,081.73 |

*Refer note no. 37.12

Note 16 Equity Share Capital

| | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|------------------------|--------------------------|------------------------|--------------------------|
| | No. of shares | Amount (Rs. in lakhs) | No. of shares | Amount (Rs. in lakhs) |
| Authorised Equity Shares of Rs. 2/- each | 100,000,000 | 2,000.00 | 100,000,000 | 2,000.00 |
| Issued, subscribed and fully paid up Equity Shares of Rs. 2/- each | 92,000,170 | 1,840.00 | 92,000,170 | 1,840.00 |
| Reconciliation of number and amount of shares outstanding | | | | |
| | | | | |
| | | | | |
| | | | | |
| At the beginning of the year | 92,000,170 | 1,840.00 | 92,000,170 | 1,840.00 |
| Change during the year | | | | |
| Outstanding at the end of the year | 92,000,170 | 1,840.00 | 92,000,170 | 1,840.00 |

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

The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs. 2/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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

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

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|------------------------|----------------------------|------------------------|----------------------------|
| | No. of Shares held | Percentage of shareholding | No. of Shares held | Percentage of shareholding |
| Equity shares of INR 2/- each fully paid up | | | | |
| Mr. L. K. Jbunjhunwala | 14,302,600 | 15.55 | 14,302,600 | 15.55 |
| L. K. Jbunjhunwala (HUF) | 10,065,900 | 10.94 | 10,065,900 | 10.94 |
| Mr. Aditya Jbunjhunwala | 5,289,242 | 5.75 | 5,289,242 | 5.75 |
| Marvel Business Pvt. Ltd. | 12,065,975 | 13.12 | 12,065,975 | 13.12 |

Refer note no.37.31 for details of shares held by promoter and promoter group of the Company



Note 17 Other equity

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| General Reserve | | |
| Opening balance | 1,179.90 | 1,179.90 |
| Add: Changes during the year | 8,820.10 | - |
| Closing balance | <u>10,000.00</u> | <u>1,179.90</u> |
| Molasses Storage Fund | | |
| Opening balance | 30.58 | 27.55 |
| Less: Written back during the year | 5.98 | - |
| Add: Changes during the year | 2.84 | 3.03 |
| Closing balance | <u>27.44</u> | <u>30.58</u> |
| Sugar Price Equalisation Reserve | | |
| Opening balance | 12.40 | 12.40 |
| Add: Changes during the year | - | - |
| Closing balance | <u>12.40</u> | <u>12.40</u> |
| Securities Premium Account | | |
| Opening balance | 2,688.01 | 2,688.01 |
| Add: Changes during the year | - | - |
| Closing balance | <u>2,688.01</u> | <u>2,688.01</u> |
| Retained Earnings | | |
| Opening balance | 18,712.40 | 15,902.26 |
| Add: Profit/ Loss during the year | 3,555.22 | 2,809.29 |
| Add: Transfer from Other Comprehensive Income | 1,433.10 | 0.85 |
| Less: Transfer to general reserve | 8,820.10 | - |
| Closing balance | <u>14,880.62</u> | <u>18,712.40</u> |
| Comprehensive Income | | |
| Opening balance | 5,858.05 | 5,876.31 |
| Add: Changes during the year | (14.04) | (17.41) |
| Less: Transfer to Retained Earnings | 1,433.10 | 0.85 |
| Closing balance | <u>4,410.91</u> | <u>5,858.05</u> |
| Total | <u>32,019.38</u> | <u>28,481.34</u> |

- i. General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act 1956, it was mandatory to transfer amount before a company can declare dividend, however Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- ii. The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantaran (Sansodhan) Adesh, 1974. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to Rs.29.70 lakhs (Previous year: Rs.31.96 lakhs). [Refer Note No.6 and 12A].
- iii. Sugar Price Equalisation Reserve: Refer note no.37.13
- iv. Securities premium: securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write off equity related expenses like underwriting cost etc.
- v. Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.
- vi. Other comprehensive income (OCI) represents the balance relating to re-measurement gain/(loss) of defined benefit obligation, gain or loss on equity investments and revaluation of fixed assets in earlier years prior to compliance of Ind AS and revaluation of land.



| | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Current | Non current | Current | Non current |
| Secured term loans from banks | | | | |
| State Bank of India-U.P Govt. SEFASU Loan (At amortised cost) | - | - | 237.69 | - |
| State Bank of India GECL | 363.16 | - | 499.73 | 409.69 |
| State Bank of India Turbine Term Loan* | 72.00 | 879.41 | - | - |
| State Bank of India Term Loan* | 833.33 | - | 833.33 | 833.30 |
| HDFC Bank Term Loan | 625.00 | 937.50 | 625.00 | 1,562.50 |
| BMW Financial Services Pvt. Ltd.- Car Loan | 47.08 | 91.70 | - | - |
| Total | 1,940.57 | 1,908.61 | 2,195.75 | 2,805.49 |

Details of securities offered

(1) Rupee Term Loan of State Bank of India (U.P. Govt. SEFASU Loan) is secured by first charge on entire fixed assets of the company, present and future, on pari passu basis with other term lenders.

(2) Rupee Term Loan of State Bank of India (GECL) is secured by second charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders.

(3) Rupee Term Loan of State Bank of India and HDFC Bank are secured by exclusive first charge on refinery assets and pari passu first charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of a director.

(4) Rupee Turbine Term Loan of State Bank of India is secured by exclusive first charge on 15 MW turbine and pari passu first charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of a director.

(5) Rupee Loan of BMW Financial Services Pvt. Ltd. (Car Loan) is secured by first charge on car financed.

Terms of Repayment.

| Name of the banks / entities | Interest Rate (%) | Amount Outstanding as on 31st March, 2025 | | Period of maturity as at 31st March, 2025 | No. and amount of instalment outstanding |
|--|-------------------|---|-----------------|---|--|
| | | Current | Non Current | | |
| SBI GECL | 9.10 | 363.16 | - | 8 months | 8 monthly instalment of Rs.45.52 lakhs |
| SBI Turbine Term Loan* | 8.60 | 72.00 | 879.41 | 3 years and 7 months | 12 monthly instalments of Rs.6.00 lakhs, 12 monthly instalments of Rs.20.00 lakhs, 12 monthly instalments of Rs.30.00 lakhs, 6 monthly instalments of Rs.40.00 lakhs and 1 instalment of Rs.39 lakhs |
| SBI Term Loan* | 8.60 | 833.33 | - | 12 months | 12 monthly instalment of Rs.69.45 lakhs |
| HDFC Term Loan | 8.28 | 625.00 | 937.50 | 2 years and 6 months | 10 Quarterly instalment of Rs.156.25 lakhs |
| BMW Financial Service Pvt. Ltd.-Car loan | 7.77 | 47.08 | 91.70 | 2 years and 9 months | 33 monthly instalment of Rs.4.68 lakhs including EMI interest |
| Total | | 1,940.57 | 1,908.61 | | |

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.

*INR term loans from SBI has been converted in foreign currency term loan (FCTL) for a period of 180 days linked at a floating rate of interest @ 6.1891% excluding hedging cost, while the total all in costs is 8.60% p.a.

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



K M Sugar Mills Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2025

Note 19: Other non current financial liabilities

| | (Rs. in lakhs) | |
|-----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Corporate Guarantees issued | 33.08 | 51.44 |
| Total | 33.08 | 51.44 |

Note 20: Other non current liabilities

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Deferred Government Grant Other payable | 14.50 | 14.50 |
| Total | 14.50 | 14.50 |

Note 21: Deferred tax liabilities (net)

| | (Rs. in lakhs) | |
|-------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Deferred Tax Liabilities | | |
| Depreciation | 1,105.95 | 1,082.06 |
| Total A | 1,105.95 | 1,082.06 |
| Deferred Tax Assets | | |
| Expenses allowable on payment basis | 107.19 | 98.66 |
| Others | 239.09 | 201.39 |
| Total B | 346.28 | 300.05 |
| Total A-B | 759.67 | 782.01 |

*Refer Note 36

Note 22: Provisions

| | (Rs. in lakhs) | | | |
|---|------------------------|---------------|------------------------|---------------|
| | As at 31st March, 2025 | | As at 31st March, 2024 | |
| | Current | Non current | Current | Non current |
| Provisions for employees benefits* | | | | |
| Unavailed leave | 29.47 | 43.39 | 22.72 | 37.17 |
| Gratuity | 63.15 | - | 53.33 | - |
| Other Provision ** | - | 451.85 | - | 451.85 |
| Total | 92.62 | 495.24 | 76.05 | 489.02 |

* Refer note no.37.4

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

Note 23: Short Term borrowings

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Secured | | |
| Loan payable on demand | | |
| Working capital loans from banks | | |
| State Bank of India | 15,364.24 | 11,719.31 |
| Punjab National Bank | 4,493.40 | 4,483.73 |
| HDFC Bank Ltd. | 982.44 | 5,923.97 |
| Yes Bank Ltd. | 3,495.98 | 1,984.29 |
| Current maturities of long term borrowings* | 1,940.57 | 2,195.75 |
| Total | 26,276.63 | 26,307.05 |

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

Summary of short term borrowings

Secured borrowings

Nature of Securities

Working capital loans from State Bank of India, Punjab National Bank, HDFC Bank Ltd. and Yes bank Ltd. are secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohol, book debts and other current assets of the company and second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of a director.



Note 24 Trade and other payables

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Trade payable | | |
| Payable to Micro and small enterprises* | 148.19 | 233.86 |
| Payable to other than Micro and small enterprises | 7,968.22 | 14,952.36 |
| Other payables-Suppliers of capital goods | | |
| Payable to Micro and small enterprises* | 27.18 | 45.61 |
| Payable to other than Micro and small enterprises | 48.37 | 229.05 |
| Total | 8,191.96 | 15,460.88 |

* Refer note no.37.7

Refer note no.37.30 for ageing schedule

Note 25 Other current financial liabilities

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Interest accrued but not due on borrowings | 0.42 | 1.01 |
| Interest accrued and due on borrowings | 14.59 | 23.65 |
| Security Deposit | 200.16 | 277.30 |
| Salary and other payables to employees | 220.96 | 209.20 |
| Unpaid dividend | 1.31 | 1.31 |
| Outstanding liability of related party | 290.04 | 280.39 |
| Corporate guarantee | 18.36 | 21.28 |
| Other payable * | 312.96 | 301.09 |
| Total | 1,138.80 | 1,115.23 |

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

Note 26 Other current liabilities

| | (Rs. in lakhs) | |
|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Statutory liabilities | 142.37 | 305.52 |
| Deferred government grant | - | 29.48 |
| Advances from customers | 75.96 | 164.83 |
| Total | 218.33 | 499.83 |

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K M Sugar Mills Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2025

Note 27 Revenue from operations

| | (Rs. in lakhs) | |
|--------------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Sale of goods | | |
| Sugar | 52,739.98 | 54,757.58 |
| Molasses | 22.80 | 22.80 |
| Bagasse | 2,859.19 | 2,939.08 |
| Industrial alcohol | 4,276.00 | 6,148.15 |
| Power | 759.71 | 288.09 |
| Others* | 4,909.16 | 1,560.23 |
| Total A | 65,646.84 | 65,715.93 |
| Other operating revenue** | | |
| Export quota sale | 253.68 | - |
| Total B | 253.68 | - |
| Total revenue from operations | Total A+B | 65,900.52 |
| | | 65,715.93 |

*Include country liquor sale Rs.4844.75 lakhs (Previous year Rs.1444.55 lakhs)

** Refer Note No. 37.19

Note 28 Other income

| | (Rs. in lakhs) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Interest income | | |
| From Banks | 60.16 | 64.49 |
| On income tax refund | - | 11.72 |
| From Others | 329.56 | 348.35 |
| Deferred Government Grant* | 29.48 | 118.58 |
| Other non operating income | | |
| Foreign currency Gain/(Loss) | 0.11 | - |
| Insurance claims | 23.13 | 137.25 |
| Profit on sale of fixed assets | 11.22 | 12.40 |
| Unspent liabilities/balances written back | 13.66 | 51.92 |
| Miscellaneous income | 160.18 | 61.13 |
| Gain on mutual funds | - | 0.01 |
| Drawback receipt | - | 5.31 |
| Reversal of provision for doubtful debts/Advances | - | 0.70 |
| Storage fund for molasses written back** | 5.98 | - |
| Profit on sale of investment | 72.89 | - |
| Others*** | 30.95 | 32.88 |
| Fair valuation of financial instrument | - | 4.60 |
| Total | 737.32 | 849.34 |

*Refer Note No. 37.11

** Refer note no.17

*** Measurement of Guarantee commission

Note 29 Cost of materials consumed

| | (Rs. in lakhs) | |
|--------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Sugar cane | 42,558.77 | 51,513.78 |
| Other | 377.75 | - |
| Total | 42,936.52 | 51,513.78 |

Note 30 Purchase of stock in trade

| | (Rs. in lakhs) | |
|--------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Other | 48.37 | 46.00 |
| Total | 48.37 | 46.00 |



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

| | (Rs. in lakhs) | |
|-----------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Finished goods | | |
| Opening stock | | |
| Sugar | 33,947.34 | 30,616.83 |
| Molasses | 1,418.71 | 1,045.65 |
| Bagasse | 1,063.35 | 1,640.50 |
| Industrial alcohol | 527.19 | 533.20 |
| Banked Power | 132.26 | 58.23 |
| Others | 9.21 | 33.38 |
| Total (a) | 37,098.06 | 33,927.79 |
| Less : Closing stock | | |
| Sugar | 31,628.78 | 33,947.34 |
| Molasses | 1,919.35 | 1,418.71 |
| Bagasse | 1,480.28 | 1,063.35 |
| Industrial alcohol | 831.64 | 527.19 |
| Banked Power | 142.47 | 132.26 |
| Others | 19.90 | 9.21 |
| Total (b) | 36,022.42 | 37,098.06 |
| Total (a-b) | 1,075.64 | (3,170.27) |
| Work-in-progress | | |
| Opening stock | 592.90 | 755.88 |
| Less : Closing stock | - | 592.90 |
| | 592.90 | 162.98 |
| Total | 1,668.54 | (3,007.29) |

Note 32 Employee benefit expenses

| | (Rs. in lakhs) | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Salary, wages, bonus and other payments | 2,025.06 | 1,841.95 |
| Contribution to provident fund and other funds | 121.44 | 111.55 |
| Workmen and staff welfare expenses | 37.21 | 37.98 |
| Gratuity expense | 9.19 | 39.01 |
| Total | 2,192.90 | 2,030.49 |

Note 33 Finance costs

| | (Rs. in lakhs) | |
|------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Interest expenses | | |
| Cash credit | 1,315.71 | 1,010.93 |
| Term loan | 398.67 | 565.78 |
| Others | 38.20 | 4.82 |
| Other borrowing costs | 63.97 | 72.76 |
| Total | 1,816.55 | 1,654.29 |



Note 34 Depreciation and amortisation expenses

| | (Rs. in lakhs) | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Depreciation | | |
| Depreciation of property, plant & equipments | 1,954.98 | 2,014.27 |
| Amortisation | | |
| Amortisation of intangible assets | 2.39 | 1.27 |
| Amortisation of right to use assets | 239.38 | 243.54 |
| Total | 2,196.75 | 2,259.08 |

Note 35 Other Expenses

| | (Rs. in lakhs) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Consumption of stores and spare parts | 571.31 | 711.36 |
| Packing materials | 2,216.63 | 1,165.71 |
| Power and fuel | 675.02 | 296.55 |
| Rent | 257.05 | 221.95 |
| Repairs to : | | |
| Buildings | 103.00 | 98.79 |
| Plant & Machinery | 1,755.02 | 1,767.91 |
| Others | 304.27 | 291.40 |
| Insurance | 190.15 | 138.68 |
| Rates and taxes | 575.26 | 335.09 |
| Selling expenses : | | |
| Commission to selling agents | 241.46 | 223.36 |
| Other selling expenses | 1,068.72 | 891.48 |
| Payments to auditors : | | |
| Audit fee (including limited review fee) | 10.58 | 10.58 |
| Tax audit fee | 1.50 | 1.50 |
| Reimbursement of expenses | 1.50 | 1.67 |
| Charity and donation | 30.45 | 2.71 |
| Printing and stationery | 17.56 | 14.85 |
| Communication expenses | 19.00 | 17.34 |
| Travelling expenses | 482.07 | 365.31 |
| Consultancy and legal expenses | 260.24 | 176.50 |
| Directors sitting fees | 6.70 | 4.95 |
| Directors remuneration | 936.72 | 739.76 |
| Miscellaneous expenses | 612.06 | 443.64 |
| CSR expenditure | 86.85 | 89.05 |
| Loss on sale/discard of property, plant and equipment | 158.39 | 109.48 |
| Transfer to storage fund for molasses | 2.84 | 3.03 |
| Provision for doubtful debts and advances | 4.45 | - |
| Balances written off | 7.28 | 7.97 |
| Fair valuation of financial instrument | 254.70 | - |
| Other expenses | 27.43 | 27.04 |
| Total | 10,806.21 | 8,157.66 |



Note 36 : Tax Reconciliation

(Rs. in lakhs)

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2025 and 31st March, 2024 are as follows:

(i) Profit or loss section

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------|---------------------------|---------------------------|
| Current tax expense | 1,328.56 | 1,045.04 |
| Tax expense of earlier years | 25.82 | 2.64 |
| Deferred tax expense | (17.60) | 54.29 |
| Total | 1,336.78 | 1,101.97 |

(ii) OCI Section

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Net gain/(loss) on remeasurement of defined benefit plans | (18.91) | (18.84) |
| Unrealised gain/(loss) on FVTOCI equity securities | 0.14 | (4.14) |
| Income tax charged to OCI | 4.73 | 5.57 |
| Total | (14.04) | (17.41) |

Reconciliation of tax expense

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------|---------------------------|---------------------------|
| Current tax | 1,328.56 | 1,045.04 |
| Tax expense of earlier years | 25.82 | 2.64 |
| Deferred tax | (17.60) | 54.29 |
| Total | 1,336.78 | 1,101.97 |

| | | |
|---|-----------------|-----------------|
| Accounting profit before tax from continuing operations | 4,892.00 | 3,911.26 |
| Applicable tax rate (using Company's tax rate) | 25.168% | 25.168% |
| Computed tax expense (A) | 1,231.22 | 984.39 |
| Expenses not allowable for tax purpose | 55.36 | 51.61 |
| Effect of tax deduction | (51.23) | (22.53) |
| Changes in recognized deductible temporary differences | 75.61 | 85.87 |
| Tax expense of earlier years | 25.82 | 2.64 |
| Net adjustment (B) | 105.56 | 117.59 |
| Tax expense (A+B) | 1,336.78 | 1,101.98 |

| | As at 31st March, 2023 | Provided during the year | As at 31st March, 2024 | Provided during the year | As at 31st March, 2025 |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Deferred tax liability: Related to Fixed Assets (Depreciation) | 1,054.49 | 27.57 | 1,082.06 | 23.89 | 1,105.95 |
| Total deferred tax liability (A) | 1,054.49 | 27.57 | 1,082.06 | 23.89 | 1,105.95 |
| Deferred tax assets: Expenses allowable on payment basis | 97.03 | 1.63 | 98.66 | 6.53 | 107.19 |
| Other Ind AS adjustments related to Financial Asset/Liabilities (Net) | 224.17 | (23.78) | 201.39 | 37.70 | 239.09 |
| Total deferred tax assets (B) | 321.20 | (21.15) | 300.05 | 46.23 | 346.28 |
| Deferred Tax Liability / (Asset) (Net) (A - B) | 733.29 | 48.72 | 782.01 | (22.34) | 759.67 |



37.1 Financial risk management objectives and policies

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

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

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

Market risk

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

(i) Interest rate risk

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

(ii) Foreign currency risk

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

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

| Foreign currency risk | 31 st March, 2025 | | 31 st March, 2024 | |
|------------------------------------|------------------------------|--------------|------------------------------|--------------|
| | In USD | Rs. in lakhs | In USD | Rs. in lakhs |
| Outstanding Balance from customers | NIL | NIL | NIL | NIL |
| Outstanding Balance of term loan | 21,04,941 | 1784.74 | NIL | NIL |



(iii) Regulatory risk

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

(iv) Commodity price risk

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

Credit risk

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

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

(i) Trade receivables

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

| Description | (Rs. in lakhs) | |
|---------------------|------------------------------|------------------------------|
| | 31 st March, 2025 | 31 st March, 2024 |
| Upto 6 months | 831.29 | 2,485.73 |
| 6 to 12 Months | 0.01 | 435.60 |
| More than 12 months | 23.72 | 27.88 |

The management has made provision for expected credit loss amounting to Rs.16.01 lakhs (Rs.15.94 lakhs) and management is of view that although certain amounts are beyond credit period but they are in fact recoverable and will be received in due course so balance amount is not liable to expected credit loss.

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



| Particulars | (Rs. in lakhs) |
|--|----------------|
| | Amount |
| Balance as at 01 st April, 2024 | 15.94 |
| Provided during the year | 0.07 |
| Reversed during the year | - |
| Balance as at 31 st March, 2025 | 16.01 |

| | |
|--|-------|
| Balance as at 01 st April, 2023 | 15.94 |
| Provided during the year | - |
| Reversed during the year | - |
| Balance as at 31 st March, 2024 | 15.94 |

Liquidity Risk

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

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

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

| Liabilities | (Rs. in lakhs) | | | |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| | Less than 1 Year | 1 to 5 years | More than 5 years | Total |
| As at 31st March, 2024 | | | | |
| Term loans | 1,908.61 | 1,940.57 | - | 3,849.18 |
| Loans repayable on demand | 24,336.06 | - | - | 24,336.06 |
| Trade and other payables | 8,191.96 | - | - | 8,191.96 |
| Other financial liabilities | 1,138.80 | 33.08 | - | 1,171.88 |
| Total | 35,575.43 | 1,973.65 | - | 37,549.08 |

| Liabilities | (Rs. in lakhs) | | | |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| | Less than 1 Year | 1 to 5 years | More than 5 years | Total |
| As at 31st March, 2024 | | | | |
| Term loans | 2,195.75 | 2,805.49 | - | 5,001.24 |
| Loans repayable on demand | 24,111.30 | - | - | 24,111.30 |
| Trade and other payables | 15,460.88 | - | - | 15,460.88 |
| Other financial liabilities | 1,115.23 | 50.21 | 1.23 | 1,166.67 |
| Total | 42,883.16 | 2,855.70 | 1.23 | 45,740.09 |



37.2 Capital Management

(i) Risk Management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2025 and 31st March, 2024:

(Rs. in lakhs)

| Description | Year ended 31 March, 2025 | Year ended 31 March, 2024 |
|---------------------------------------|---------------------------|---------------------------|
| Borrowings | 28,185.24 | 29,112.54 |
| Lease and other financial liabilities | 1,171.88 | 1,166.67 |
| Trade and other payables | 8,191.96 | 15,460.88 |
| Less: Cash and cash equivalents | 384.97 | 727.21 |
| Net debts | 37,164.11 | 45,012.88 |
| Equity share capital | 1,840.00 | 1,840.00 |
| Other equity | 32,019.38 | 28,481.34 |
| Total equity | 33,859.38 | 30,321.34 |
| Total equity and net debt | 71,023.49 | 75,334.22 |
| Gearing ratio (%) | 52.33 | 59.75 |

(ii) No dividend has been recommended for the financial year ended 31st March, 2025.

37.3 Earnings per Share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Group by the weighted average number of Equity shares outstanding during the year plus the



weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

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

| Particulars | 31 st March, 25 | 31 st March, 24 |
|--|----------------------------|----------------------------|
| Profit attributable to equity shareholders of the Group: | 3,555.22 | 2,809.29 |
| Profit attributable to equity shareholders for basic earnings | 3,555.22 | 2,809.29 |
| Profit attributable to equity shareholders adjusted for dilution effect | 3,555.22 | 2,809.29 |
| Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted) | 9,20,00,170 | 9,20,00,170 |
| Earnings Per Share (Basic & Diluted) | 3.86 | 3.05 |

37.4 Employee benefits

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

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

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| Employers' contribution to provident fund | Rs.121.44 lakhs | Rs.111.55 lakhs |

(ii) Defined benefits plans

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

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

| Description | (Rs. in lakhs) | | | |
|---|---|---|--|--|
| | Gratuity Year ended 31 st March, 2025 (Funded) | Gratuity Year ended 31 st March, 2024 (Funded) | Leave Encashment Year ended 31 st March, 2025 (Non funded) | Leave Encashment Year ended 31 st March, 2024 (Non funded) |
| I. Expenses recognized in the Statement of Profit and Loss | | | | |
| Current service cost | 36.98 | 33.03 | 18.12 | 15.93 |
| Interest cost | 24.93 | 23.79 | 4.34 | 3.56 |
| Past service cost | - | - | - | - |
| Expected return on plan assets | (19.61) | (17.61) | - | - |



| | | | | |
|--|----------------|----------------|---------|---------|
| Net expenses recognized in Statement of Profit and Loss | 42.30 | 39.01 | 22.46 | 19.49 |
| II. Other comprehensive (income)/expenses (Re-measurement) | | | | |
| Accumulated (gain)/loss opening balance | 27.29 | 34.78 | 155.79 | 129.46 |
| Actuarial (gain)/loss - obligation | (0.31) | (0.42) | 26.01 | 26.33 |
| Actuarial (gain)/loss - plan assets | (6.79) | (7.07) | - | - |
| Total Actuarial (gain)/loss | (7.10) | (7.49) | 26.01 | 26.33 |
| Actuarial (gain)/loss at the end of the period | 20.19 | 27.29 | 181.80 | 155.79 |
| III. Net liability/(assets) recognized in the balance sheet | | | | |
| Present value of obligations at the end of period | 375.35 | 343.83 | 72.87 | 59.89 |
| Fair value of the plan assets at the end of period | 312.20 | 290.50 | - | - |
| Funded status surplus/(deficit) | (63.15) | (53.33) | (72.87) | (59.89) |
| Net liability/(asset) as at year end | 63.15 | 53.33 | 72.87 | 59.89 |
| IV. Changes in present value of obligations during the year | | | | |
| Present value of obligation at the beginning of the year | 343.83 | 317.20 | 59.89 | 47.45 |
| Current service cost | 36.98 | 33.03 | 18.12 | 15.92 |
| Interest cost | 24.93 | 23.79 | 4.34 | 3.56 |
| Past service cost | - | - | - | - |
| Benefits paid if any | (30.08) | (29.77) | (35.49) | (33.37) |
| Actuarial loss/ (gain) | (0.31) | (0.42) | 26.01 | 26.33 |
| Present value of obligation at the year end | 375.35 | 343.83 | 72.87 | 59.89 |
| V. Changes in fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of period | 290.50 | 245.65 | - | - |
| Expected return on plan assets | 19.61 | 17.81 | - | - |
| Contributions | 25.39 | 49.74 | - | - |
| Benefits paid | (30.08) | (29.77) | - | - |
| Actuarial Gain/(Loss) on plan assets | 6.79 | 7.07 | - | - |
| Fair value of plan assets at the year end | 312.21 | 290.50 | - | - |
| VI. Maturity profile of defined benefit obligation | | | | |
| Within in next 12 months | 27.01 | 46.08 | 29.48 | 22.72 |
| Between 2 and 5 years | 159.96 | 98.31 | 43.39 | 37.17 |
| 5 years and above | 108.38 | 199.44 | - | - |
| Total expected payments | 375.35 | 343.83 | 72.87 | 59.89 |
| Weighted average duration (based on discounted cash flow) in years | 8 | 8 | - | - |
| Details of plan asset | Gratuity Trust | Gratuity Trust | N/A | N/A |
| SBI Life Kalyan ULIP Plus (V03) | 257.75 | 229.83 | - | - |
| Bank Balance and Others | 54.46 | 60.67 | - | - |



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

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Present value of Defined Benefit Obligation | 375.35 | 343.83 | 317.20 | 279.48 | 274.61 |
| Fair value of Plan Assets | 312.21 | 290.50 | 245.65 | 256.73 | 250.27 |

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

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

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

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

Actuarial Assumption

| Particulars | Gratuity | Gratuity | Leave Encashment | Leave Encashment |
|--|--------------|---------------|------------------|------------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Discount rate (per annum) | 6.75% | 7.25% | 6.75% | 7.25% |
| Future salary increase (per annum) | 5.00% | 5.00% | 5.00% | 5.00% |
| Retirement/Superannuation Age (Year) | 60 | 60 | 60 | 60 |
| Expected rate of return on plan assets | 0% | 0% | 0% | 0% |
| Mortality | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |

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



Gratuity

| Period | As on: 31/03/2025 |
|--|--|
| Defined Benefit Obligation (Base) | 375.35 lakhs @ Salary Increase Rate : 5%, and discount rate :6.75% |
| Liability with x% increase in Discount Rate | 3,49,41,641; x=1.00% [Change (7)%] |
| Liability with x% decrease in Discount Rate | 4,05,22,358; x=1.00% [Change 8%] |
| Liability with x% increase in Salary Growth Rate | 4,05,44,781; x=1.00% [Change 8%] |
| Liability with x% decrease in Salary Growth Rate | 3,48,77,856; x=1.00% [Change (7)%] |
| Liability with x% increase in Withdrawal Rate | 3,77,91,327; x=1.00% [Change 1%] |
| Liability with x% decrease in Withdrawal Rate | 3,72,92,950; x=1.00% [Change (1)%] |

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

Leave Encashment

| Period | As on: 31/03/2025 |
|--|---------------------------------|
| Defined Benefit Obligation (Base) | 72.87 lakhs |
| Liability with x% increase in Discount Rate | 68.59 lakhs; x=1% [Change (6)%] |
| Liability with x% decrease in Discount Rate | 77.99 lakhs; x=1% [Change 7%] |
| Liability with x% increase in Salary Growth Rate | 78.03 lakhs; x=1% [Change 7%] |
| Liability with x% decrease in Salary Growth Rate | 68.48 lakhs; x=1% [Change (6)%] |
| Liability with x% increase in Withdrawal Rate | 73.63 lakhs; x=1% [Change 1%] |
| Liability with x% decrease in Withdrawal Rate | 72.12 lakhs; x=1% [Change (1)%] |

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

Contingent Liabilities:

| Particulars | (Rs. in lakhs) | |
|---|------------------------------------|------------------------------------|
| | As at 31 st March, 2025 | As at 31 st March, 2024 |
| (i) Claims against the Group not acknowledged as debts in respect of pending cases of employees under Labour laws | 81.24 | 84.37 |
| (ii) Claims against the Group not acknowledged as debts in respect of Criminal and Civil Cases | 25.34 | 25.34 |
| (iii) Bank guarantees given to the Central Government and oil manufacturing companies | 120.45 | 183.68 |
| (iv) Corporate guarantee given by the Group for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks). | 6866.14 | 6113.96 |
| (v) Income Tax cases under appeal | 690.73 | 690.73 |
| (vi) Penalty levied by Competition Commission of India, Commissioner Excise, UP and Regulatory fee | 19.39 | 50.23 |

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



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

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

Capital Commitments

| Particulars | (Rs. in lakhs) | |
|--|-----------------|----------------|
| | 31st March, 25 | 31st March, 24 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 1,442.29 | 398.90 |
| Less: Advances paid against above | 239.90 | 75.73 |
| Net Amount | 1,202.39 | 323.17 |

37.6 Leases

Group as lessor

The Group has given certain portion of factory premises on cancellable operating lease. The rent received on the same has been grouped under other income. The rent received during the year is Rs.6.62 lakhs (previous year Rs.5.84 lakhs).

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

As at 31st March, 2025

(Rs. in lakhs)

| S. No. | Particulars | Trade payable | Payable to supplier of capital goods | Total |
|--------|--|---------------|--------------------------------------|--------|
| (a) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | | |
| | Principal amount due to micro and small enterprises | 143.71 | 27.18 | 170.89 |
| | Interest due on above | 4.48 | - | 4.48 |
| (b) | The amount of interest paid by the buyer in terms of section-16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |
| (c) | The amount of interest due and payable for the period of delay in making | - | - | - |



| | | | | |
|-----|--|------|---|------|
| | payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | | | |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 4.48 | - | 4.48 |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - | - |

As at 31st March, 2024

(Rs. in lakhs)

| S. No. | Particulars | Trade payable | Payable to supplier of capital goods | Total |
|--------|--|---------------|--------------------------------------|--------|
| (a) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | | |
| | Principal amount due to micro and small enterprises | 233.86 | 45.61 | 279.47 |
| | Interest due on above | 0.01 | - | 0.01 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | - | - | - |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 0.01 | - | 0.01 |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - | - |



37.8 Related Party Disclosures: -

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

Related Parties with whom there were transactions during the year:

a) Related party where control exist:

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

b) Details of the related parties:

i. Key Management Personnel (Group A)

- Shri L. K. Jhunjhunwala -Chairman
- Shri Aditya Jhunjhunwala -Managing Director
- Shri Sanjay Jhunjhunwala -Joint Managing Director
- Shri S. C. Agarwal -Executive Director
- Ms. Pooja Dua -Company Secretary
- Shri Arvind Kumar Gupta -Chief Financial Officer
- Mrs. Madhu Mathur* -Independent Director
- Shri S. K. Gupta* -Independent Director
- Shri Sushil Solomon -Independent Director
- Shri Bibhash Kumar Srivastava -Independent Director
- Dr. Bakshi Ram -Independent Director
- Mrs. Archana Agrawal** -Independent Director
- Shri Narendra Mohan*** -Independent Director

ii. Relatives of Key Management Personnel (Group B)

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

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

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



c) Transactions with the related parties:

(Rs. in lakhs)

| Sl. no. | Nature of transaction/ Name of the related party | Key Managerial Personnel (KMP) 2024-25 (2023-24) | Enterprises over which KMP and their relatives have substantial interest/significant influence 2024-25 (2023-24) | Total 2024-25 (2023-24) |
|---------|--|--|---|-------------------------------|
| i. | Investment made | | | |
| | Sonar Casting Ltd. | - (-) | 375.00 (1295.00) | 375.00 (1295.00) |
| ii. | Remuneration including commission and PF# | | | |
| | Shri L. K. Jhunjunwala | 333.60 (250.92) | - (-) | 333.60 (250.92) |
| | Shri Aditya Jhunjunwala | 356.10 (274.33) | - (-) | 356.10 (274.33) |
| | Shri Sanjay Jhunjunwala | 199.67 (168.90) | - (-) | 199.67 (168.90) |
| | Shri S. C. Agarwal | 60.88 (54.11) | - (-) | 60.88 (54.11) |
| | Shri Vatsal Jhunjunwala | - (-) | 25.33 (24.00) | 25.33 (24.00) |
| | Ms. Palak Jhunjunwala | - (-) | 4.80 (4.80) | 4.80 (4.80) |
| | Shri Arvind Kumar Gupta | 23.53 (22.66) | - (-) | 23.53 (22.66) |
| | Ms. Pooja Dua | 7.72 (7.07) | - (-) | 7.72 (7.07) |
| iii. | Education fee paid | | | |
| | Ms. Palak Jhunjunwala | - (-) | 78.21 (76.42) | 78.21 (76.42) |
| iv. | Rent paid | | | |
| | Sri Shakti Credits Ltd. | - (-) | 3.00 (3.00) | 3.00 (3.00) |
| | Zar International Pvt. Ltd. | - (-) | 1.14 (1.14) | 1.14 (1.14) |
| | K M Vyapar Ltd. | - (-) | 154.02 (160.02) | 154.02 (160.02) |
| | Marvel Business Pvt. Ltd. | - (-) | 7.20 (7.20) | 7.20 (7.20) |
| | Brahma Properties Pvt. Ltd. | - (-) | 6.00 (6.00) | 6.00 (6.00) |
| v. | Purchase of goods | | | |
| | Brahma Properties Pvt. Ltd. | - (-) | 189.73 (-) | 189.73 (-) |
| | K M Particle Boards Pvt. Ltd. | - (-) | 1.80 (-) | 1.80 (-) |
| vi. | Loans given | | | |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | 750.00 (705.00) | 750.00 (705.00) |
| | Sonar Casting Ltd. | - (-) | 325.00 (-) | 325.00 (-) |
| vii. | Loans received back | | | |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | 1070.00 (285.00) | 1070.00 (285.00) |
| | Sonar Casting Ltd. | - (-) | 325.00 (-) | 325.00 (-) |
| viii. | Sitting fees paid | | | |
| | Smt. Madhu Mathur* | 0.70 (0.90) | - (-) | 0.70 (0.90) |
| | Shri S. K. Gupta* | 0.75 (1.45) | - (-) | 0.75 (1.45) |
| | Shri Bibhash Kumar Srivastava | 1.20 (1.00) | - (-) | 1.20 (1.00) |
| | Shri Sushil Solomon | 1.35 (1.20) | - (-) | 1.35 (1.20) |
| | Dr. Bakshi Ram | 1.35 (0.40) | - (-) | 1.35 (0.40) |
| | Mrs. Archana Agrawal** | 0.75 (-) | - (-) | 0.75 (-) |
| | Shri Narendra Mohan*** | 0.60 (-) | - (-) | 0.60 (-) |
| ix. | Sale of goods | | | |
| | K M Particle Boards Pvt. Ltd. | - (-) | 1786.00 (1028.66) | 1786.00 (1028.66) |
| | Francoise Commerce Pvt. Ltd. | - (-) | 4285.00 (1354.90) | 4285.00 (1354.90) |
| x. | CSR paid | | | |
| | Shri Laxmi Public Charitable Trust | - (-) | - (120.00) | - (120.00) |
| | H H Foundation | - (-) | 20.00 (-) | 20.00 (-) |
| xi. | Corporate guarantee charges received | | | |
| | Sonar Casting Ltd. | - (-) | 0.05 (-) | 0.05 (-) |



| | | | | |
|-------|---|-----------------|-------------------|-------------------|
| xii. | Lease land rent received | | | |
| | K M Particle Boards Pvt. Ltd. | - (-) | 0.60 (-) | 0.60 (-) |
| xiii. | Preference share redemption received | | | |
| | K.M Energy Pvt. Limited | - (-) | 338.92 (-) | 338.92 (-) |
| xiv. | Sale of held Preference share | | | |
| | Promising Logistics Pvt. Ltd. | - (-) | 385.00 (-) | 385.00 (-) |
| xv. | Interest received | | | |
| | Sonar Casting Ltd. | - (-) | 97.74 (88.84) | 97.74 (88.84) |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | 231.82 (259.51) | 231.82 (259.51) |
| xvi. | Balance outstanding | | | |
| | a. Amount payable | | | |
| | Shri L. K Jhunjhunwala | 111.13 (176.18) | - (-) | 111.13 (176.18) |
| | Shri Aditya Jhunjhunwala | 76.30 (46.54) | - (-) | 76.30 (46.54) |
| | Shri Sanjay Jhunjhunwala | 70.92 (27.36) | - (-) | 70.92 (27.36) |
| | Shri S. C. Agarwal | 2.14 (2.25) | - (-) | 2.14 (2.25) |
| | Shri Varsal Jhunjhunwala | - (-) | 2.05 (1.62) | 2.05 (1.62) |
| | Sri Shakti Credits Ltd. | - (-) | 0.81 (3.11) | 0.81 (3.11) |
| | K M Vyapar Ltd. | - (-) | 14.81 (14.81) | 14.81 (14.81) |
| | Zar International Pvt. Ltd. | - (-) | 2.28 (2.28) | 2.28 (2.28) |
| | Brahma Properties Pvt. Ltd. | - (-) | 77.99 (5.40) | 77.99 (5.40) |
| | Marvel Business Pvt. Ltd. | - (-) | 6.05 (5.48) | 6.05 (5.48) |
| | b. Amount receivable | | | |
| | Loan | | | |
| | Sonar Casting Ltd. | - (-) | 875.00 (875.00) | 875.00 (875.00) |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | 550.00 (870.00) | 550.00 (870.00) |
| | Interest | | | |
| | Sonar Casting Ltd. | - (-) | 249.25 (162.61) | 249.25 (162.61) |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (118.91) | - (118.91) |
| | Sale of goods | | | |
| | K M Particle Boards Pvt. Ltd. | - (-) | 0.57 (801.34) | 0.57 (801.34) |
| | Francoise Commerce Pvt. Ltd. | - (-) | - (1424.08) | - (1424.08) |
| | c. Corporate guarantee given by the Group for loan sanctioned/availed by | | | |
| | Sonar Casting Limited | - (-) | 6866.14 (6113.96) | 6866.14 (6113.96) |
| | d. Investment Held (Cost) | | | |
| | Equity share in Sonar Casting Ltd. | - (-) | 109.00 (109.00) | 109.00 (109.00) |
| | Equity share in HH Foundation | - (-) | 0.20 (0.20) | 0.20 (0.20) |
| | Preference share in Sonar Casting Limited | | 4960.00 (4585.00) | 4960.00 (4585.00) |
| | Preference share in K.M Energy Pvt. Limited | - (-) | - (338.92) | - (338.92) |
| | Preference share in Brahma Properties Pvt. Limited | - (-) | - (385.00) | - (385.00) |
| | OPCD in K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | 2350.00 (500.00) | 2350.00 (500.00) |

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

* Ceased to be director on 21.08.2024 upon completion of tenure

** Appointed w.e.f. 21.05.2024

*** Appointed w.e.f. 29.06.2024



#Directors Remuneration

(Rs. in lakhs)

| S. No. | Particulars | Chairman | Managing Director | Jt. Managing Director | Executive Director | Total |
|--------|--------------------------------|----------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
| 1 | Salary | 180.00 (150.00) | 180.00 (150.00) | 180.00 (150.00) | 54.00 (48.00) | 594.00 (498.00) |
| 2 | Commission | 150.00 (100.00) | 150.00 (100.00) | - (-) | - (-) | 300.00 (200.00) |
| 3 | Contribution to Provident Fund | - (-) | 19.50 (18.00) | 19.50 (18.00) | 6.06 (5.76) | 45.06 (47.76) |
| 4 | Perquisites: | | | | | |
| | (i) Residence | - (-) | 3.60 (7.20) | - (-) | 4.11 (3.62) | 7.71 (10.82) |
| | (ii) Medical reimbursement | 3.57 (0.92) | 6.58 (6.33) | 0.18 (0.90) | 0.82 (0.35) | 11.15 (8.50) |
| | (iii) Other benefits | 0.79 (0.79) | 13.13 (19.36) | 0.79 (0.79) | 0.62 (0.70) | 15.33 (21.64) |
| | Total | 334.36 (251.71) | 372.81 (300.89) | 200.47 (169.69) | 65.61 (58.43) | 973.25 (780.72) |

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

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

Transactions with Related Parties are made on the terms equivalent to those that prevail in arm's length transactions.

The remuneration to the Key Managerial Personnels are in line with the service rules of the Group.

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

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

The Group has identified three primary business segments viz. Sugar and Distillery. Segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organizational structure and internal business reporting system as defined in Ind AS 108 - Operating Segments.

(Rs. in lakhs)

| Particulars | Sugar | Distillery | Unallocable | Total |
|---------------------------|----------------------------------|--------------------------------|------------------------|----------------------------------|
| Revenue | | | | |
| Gross sales | 59,490.46 (61,296.03) | 9,120.75 (7,592.70) | - (-) | 68,611.21 (68,888.73) |
| Less: Inter segment sales | 2,710.69 (3,172.80) | - (-) | - (-) | 2,710.69 (3,172.80) |
| External sales | 56,779.77 (58,123.23) | 9,120.75 (7,592.70) | - (-) | 65,900.52 (65,715.93) |
| Add: Other income | 627.47 (790.98) | 109.55 (58.07) | 0.30 (0.29) | 737.32 (849.34) |
| Total revenue | 57,407.24 (58,914.21) | 9,230.30 (7,650.77) | 0.30 (0.29) | 66,637.84 (66,565.27) |
| Segment results | 6,485.79 (4,824.63) | 222.56 (740.72) | 0.20 (0.20) | 6,708.55 (5,565.55) |
| Less: Finance cost | 1,791.48 (1,631.25) | 25.06 (23.03) | 0.01 (0.01) | 1,816.55 (1,654.29) |



| | | | | |
|-------------------------------|--------------------------|------------------------|--------------------|--------------------------|
| Profit before tax | 4,694.31 (3,193.38) | 197.50 (717.69) | 0.19 (0.19) | 4,892.00 (3,911.26) |
| Current tax | | | | 1,354.38 (1,047.68) |
| Deferred tax | | | | -17.60 (54.29) |
| Profit after tax | | | | 3,555.22 (2,809.29) |
| Other information | | | | |
| Segment assets | 64,629.06 (70,430.74) | 8,354.27 (7,486.85) | 5.49 (5.25) | 72,988.82 (77,922.84) |
| Segment liabilities | 36,389.19 (45,292.52) | 1,980.44 (1,526.89) | 759.81 (782.09) | 39,129.44 (47,601.50) |
| Capital Expenditure | 841.07 (1,889.12) | 696.15 (694.59) | - (-) | 1,537.22 (2,583.71) |
| Depreciation and amortisation | 1,629.99 (1,708.17) | 566.76 (550.91) | - (-) | 2,196.75 (2,259.08) |

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

Inter-segment revenues are eliminated upon consolidation and reflected in the inter-segment sales column. Current taxes and deferred taxes are not allocated to individual segments as the same are dealt with at Group level.

The transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.

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

37.10 Fair value

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

| Description | (Rs. in lakhs) | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Carrying value | | Fair value | |
| | As at 31 st March, 2025 | As at 31 st March, 2024 | As at 31 st March, 2025 | As at 31 st March, 2024 |
| Financial assets | | | | |
| FVOCI financial instruments: | | | | |
| Unquoted equity shares | 0.23 | 0.10 | 0.23 | 0.10 |
| Fair Value through Statement of Profit & Loss | | | | |
| Investment in Preference Shares | 4,709.33 | 5,236.03 | 4,709.33 | 5,236.03 |
| Investment in OFCD | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 |
| Corporate guarantee | 51.44 | 72.72 | 51.44 | 72.72 |
| Fair value of assets through Other Comprehensive Income | | | | |
| Free hold Land | 951.05 | 930.78 | 951.05 | 930.78 |
| Total | 8,062.05 | 8,589.63 | 8,062.05 | 8,589.63 |



(Rs. in lakhs)

| Description | Carrying value | | Fair Value | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2025 | As at 31 st March, 2024 | As at 31 st March, 2025 | As at 31 st March, 2024 |
| Financial liabilities at amortized cost through statement of profit and loss | | | | |
| Loan taken from Bank, Government and others | | | | |
| Fixed rate borrowings | - | 237.69 | - | 237.69 |
| Floating rate borrowings | 3,849.19 | 4,763.55 | 3,849.19 | 4,763.55 |
| Total | 3,849.19 | 5,001.24 | 3,849.19 | 5,001.24 |

Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2025:

| Description | Date of valuation | Fair value measurement using | | |
|--------------------------------------|------------------------------|--|--|--|
| | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at fair value | | | | |
| FVOCI financial instruments: | | | | |
| Unquoted equity shares | 31 st March, 2025 | - | - | Yes |
| Preference Share | 31 st March, 2025 | - | - | Yes |

37.11 Government Grant :

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

| Description | Amount in lakhs | Year to which relates | Treatment in accounts |
|--|-----------------|-----------------------|---|
| Revenue related to Government Grant | | | |
| Financial Assistance from the State Government | Nil | 2024-25 | Nil |
| Deferred Government Grant | | | |
| Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant) | Nil | 2024-25 | A sum of Rs.129.48 lakhs considered for part of the year as government grant under Note-28. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan. |



37.12 Expenditure incurred on corporate social responsibilities (CSR)

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

A. Statement of CSR Obligation

(Rs. in lakhs)

| Sl. no. | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---------|---|---------------------------|---------------------------|
| a) | Average net profits of the Company as per Section 135(5) | 4,250.49 | 4,058.15 |
| b) | Two percent of the average net profits of the Company as per Section 135(5) | 85.01 | 81.16 |
| c) | Amount approved by the Board for CSR during the Year | 86.85 | 89.05 |
| d) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil | Nil |
| e) | Amount required to be set off for the financial year, if any | 86.85 | 89.05 |
| f) | Total CSR obligation for the financial year [(c)+(d)-(e)] | Nil | Nil |

B. Statement of CSR Expenditure

(Rs. in lakhs)

| Sl. no. | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---------|--|---------------------------|---------------------------|
| a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | | |
| | - For contribution in hospital construction and asset | - | 120.00 |
| | - For cultural and rural development etc. | 2.35 | 0.24 |
| | - Preventive health care and sanitation | 20.00 | 0.51 |
| | - For contribution towards schools to promote education | 9.50 | 8.30 |
| | Total | 31.85 | 129.05 |
| b) | Amount spent in Administrative Overheads | Nil | Nil |
| c) | Amount spent on Impact Assessment, if applicable | Nil | Nil |
| d) | Total amount spent for the Financial Year [(a)+(b)+(c)] | 31.85 | 129.05 |
| e) | Total CSR obligation for the financial year | Nil | Nil |
| f) | Excess CSR Expenditure available for Carry Forward | 31.50 | 129.05 |

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C. Statement of Carry Forward

(Rs. in lakhs)

| Sl. no. | Particulars | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---------|---|------------|------------|------------|------------|
| a) | Excess CSR Expenditure carried forward | 109.00 | 70.00 | 129.05 | 31.50 |
| b) | Set off during the Financial year 2023-24 | 89.05 | Nil | Nil | Nil |
| c) | Set off during the Financial year 2024-25 | 19.95 | 66.55 | Nil | Nil |
| d) | Balance to be Carried Forward | Nil | *3.45 | #129.05 | ^31.50 |
| e) | Total amount Carried Forwarded | | | | 164.00 |

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

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

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

- 37.13 In view of the decision of Hon'ble Supreme Court, extra price and excise duty realized on levy sugar in earlier years amounting to Rs.67.11 lakhs for funding under the Sugar Price Equalization Fund Act, 1976 was transferred to Sugar Price Equalization Reserve Account. Later on as per the order dated 22.09.1993 of Hon'ble Supreme Court, a sum of Rs.17.90 lakhs was paid to the Government out of bank guarantee furnished by the Group and further, during the year 1998-99 a sum of Rs.1.00 lakhs were paid towards Excise Duty on the above. The Group has further made a payment of Rs.35.81 lakhs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lakhs thereon. Still a sum of Rs.12.40 lakhs is lying in the Sugar Price Equalization Reserve as on 31st March, 2025 shown under Note 17 of "Other equity".
- 37.14 Certain balances in account of trade receivables, advances, deposit accounts and trade payables are subject to reconciliation and confirmation by the respective parties. The management reviewed these advances from time to time, the required provisions have been considered in the accounts. The management is of the view that the realization from these assets in the ordinary course of business would not be less than the amount at which they are stated in the books of account.
- 37.15 Other non-current liabilities (Note No.20) includes a loan from U.P. Government amounting to Rs.14.50 lakhs. The issue relating to interest payable thereon is under dispute and the matter is sub-judice before the Hon'ble Allahabad High Court. However, as per the interim order of the Court, a fixed deposit of Rs.14.50 lakhs has been kept with the District Magistrate, Ayodhya. In opinion of the management, the amount of interest accrued on this fixed deposit is adequate to meet the interest obligation liability of the Group on the said loan and therefore, no interest is being provided for in these financial statements.
- 37.16 As per Bihar State Government directions, the operations of country liquor bottling unit remain discontinued during the year. However, the plant and machinery of that unit was moved in earlier years to the Distillery Unit for manufacturing of country liquor. Thus, depreciation on building due to obsolescence has been provided in earlier years and the written down value as on 31st March, 2025 is Rs.0.37 lakhs.



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

37.18 The management is of the view that dividend payment is most probable to receive from the investments in the preference shares of Sonar Casting Ltd. considering dividend at 12.50% and this fact has been taken into account while determining the fair value of the investment. However, no dividend received on the investment since amount invested.

37.19 The Central Government pursuant to Notification No. 1(1)/2025-SP dated 20th January, 2025 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified sugar mill wise export quantity of sugar for export in sugar season 2024-25 in order to prevent uncontrolled export of sugar and with a view to ensure sufficient availability of sugar for domestic consumption at a reasonable price. The notification also provides facility to export sugar themselves or through merchant exporter or exchange their export quota with domestic quota of any other sugar mill.

Pursuant to above notification, the Group has sold its export quota for exchange with domestic quota of another sugar mill. The amount received on sale of export quota of Rs.253.68 lakhs (Previous year Rs. Nil) has been shown as line item "Export quota sale receipt" under Revenue from operations.

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

| Description | (Rs. In lakhs) | | | |
|------------------------------------|------------------------|-----------|------------------------|-----------|
| | 31st March, 2025 | | 31st March, 2024 | |
| | % of total consumption | Amount | % of total consumption | Amount |
| Raw Materials | | | | |
| Imported | - | - | - | - |
| Indigenous | 100% | 42,936.52 | 100% | 51,513.78 |
| Stores and packing material | | | | |
| Imported | - | - | - | - |
| Indigenous | 100% | 2,787.94 | 100% | 1,877.07 |

37.21 Income in foreign currency on account of:

(Rs. in lakhs)

| Description | 31st March, 2025 | 31st March, 2024 |
|-------------|------------------|------------------|
| Export sale | - | - |

37.22 Expenditure in foreign currency on account of:

(Rs. in lakhs)

| Description | 31st March, 2025 | 31st March, 2024 |
|-------------|------------------|------------------|
| Travelling | 138.80 | 30.60 |
| Others | 85.79 | 82.88 |



37.23 The Group has taken SBI SEFASU Loan from Government amounting to Rs.4775.94 lakhs bearing 5% Interest rate. Fair value of loan has been determined using discount rate 10.50% as the bank's fund is available at this rate and difference between actual amount and present value is amortised over the loan tenure and same has been considered as deferred government grant.

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

37.25 Components of Other Comprehensive Income

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

(Rs. in lakhs)

| Description | Comprehensive Income (Net of Tax) | |
|---|---|---|
| | Year ended 31 st March, 2025 | Year ended 31 st March, 2024 |
| Gain/(loss) on equity instruments | 0.11 | (3.31) |
| Re-measurement gain/(loss) on defined benefit plans | (14.15) | (14.10) |
| Total | (14.04) | (17.41) |

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

For the year ended 31st March, 2025

(Rs. in lakhs)

| Particulars | Amount in CWIP for period of | | | | Total |
|--------------------------------------|------------------------------|----------|----------|------------------|--------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Plant and machinery in progress | - | - | - | - | - |
| Building work | 71.42 | 263.39 | 399.18 | 4.54 | 738.53 |
| Building work temporarily suspended* | - | - | - | 10.08 | 10.08 |
| Total | 71.42 | 263.39 | 399.18 | 14.62 | 748.61 |

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

For the year ended 31st March, 2024

(Rs. in lakhs)

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

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



37.27 Trade receivable ageing schedule

For the year ended 31st March, 2025

(Rs. in lakhs)

| Particulars | Unbilled revenue * | Not due | Outstanding from due date of payment | | | | | Total |
|---|--------------------|---------------|--------------------------------------|--------------------|-------------|-------------|------------------|---------------|
| | | | Less than 6 months | 6 months to 1 year | 1 -2 year | 2- 3 year | More than 3 year | |
| Undisputed Trade receivables - considered good | 135.70 | 362.04 | 333.54 | 0.01 | 4.91 | 1.86 | 0.95 | 839.01 |
| Undisputed Trade receivables - which have significant increase in credit risk | | - | - | - | - | - | - | - |
| Undisputed Trade receivables - credit impaired | | - | - | - | 0.07 | - | 0.03 | 0.10 |
| Disputed Trade receivables - credit impaired | | - | - | - | - | - | 15.91 | 15.91 |
| Total | 135.70 | 362.04 | 333.54 | 0.01 | 4.98 | 1.86 | 16.89 | 855.02 |

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

For the year ended 31st March, 2024

(Rs. in lakhs)

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

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



37.28 Trade payable ageing schedule
For the year ended 31st March, 2025

(Rs. in lakhs)

| Particulars | Not due | Outstanding from due date of payment | | | | Total |
|----------------------|-------------|--------------------------------------|--------------|--------------|------------------|-----------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| MSME | 6.55 | 119.27 | - | - | - | 125.82 |
| Others | - | 7,865.15 | 64.98 | 13.63 | 16.36 | 7,960.12 |
| Disputed dues-MSME | - | 21.80 | - | - | 0.57 | 22.37 |
| Disputed dues-Others | - | - | - | - | 8.10 | 8.10 |
| Total | 6.55 | 8,006.22 | 64.98 | 13.63 | 25.03 | 8,116.41 |

For the year ended 31st March, 2024

(Rs. in lakhs)

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

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

Equity Shares held by promoters as at 31st March, 2025 and 31st March, 2024

| Promoter Name | 31 st March, 2025 | | | 31 st March, 2024 | | |
|----------------------------------|------------------------------|-------------------|--------------------------|------------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Promoters | | | | | | |
| Lakshmi Kant Jhunjunwala | 1,43,02,600 | 15.55% | - | 1,43,02,600 | 15.55% | - |
| Lakshmi Kant Dwarkadas -HUF | 1,00,65,900 | 10.94% | - | 1,00,65,900 | 10.94% | - |
| Aditya Jhunjunwala | 52,89,242 | 5.75% | - | 52,89,242 | 5.75% | - |
| Sanjay Jhunjunwala | 24,94,600 | 2.71% | - | 24,94,600 | 2.71% | - |
| Promoter group | | | | | | |
| Naina Jhunjunwala | 41,80,748 | 4.54% | - | 41,80,748 | 4.54% | - |
| Vatsal Jhunjunwala | 4,99,721 | 0.54% | - | 4,99,721 | 0.54% | - |
| Vridhi Trust | 1,88,780 | 0.21% | - | 1,88,780 | 0.21% | - |
| Shivam Shorewala | 1,20,549 | 0.13% | - | 1,20,549 | 0.13% | - |
| Marvel Business Private Ltd. | 1,20,65,975 | 13.12% | - | 1,20,65,975 | 13.12% | - |
| K M Vyapar Ltd. | 22,83,364 | 2.48% | - | 22,83,364 | 2.48% | - |
| Jhunjunwala Securities Pvt. Ltd. | 5,00,000 | 0.54% | - | 5,00,000 | 0.54% | - |
| Francoise Commerce Pvt. Ltd. | 20 | - | - | 20 | - | - |



37.30 Loans to promoter, director and related parties etc.

For the year ended 31st March, 2025

| (Rs. in lakhs) | | |
|---------------------------|----------------------------|-----------------|
| Type of borrower | Amount of loan outstanding | % of total loan |
| Loan to promoter/director | - | - |
| Loan to KMPs | - | - |
| Loan to related party | 1,674.25 | 100% |

For the year ended 31st March, 2024

| (Rs. in lakhs) | | |
|---------------------------|----------------------------|-----------------|
| Type of borrower | Amount of loan outstanding | % of total loan |
| Loan to promoter/director | - | - |
| Loan to KMPs | - | - |
| Loan to related party | 1,907.61 | 100% |

37.31 Financial ratios

The following are analytical ratios for the year ended 31st March, 2025 and 31st March, 2024

| Particulars | Numerator | Denominator | 31st March, 2025 | 31st March, 2024 | Change |
|----------------------------------|-------------------------------------|---------------------------|------------------|------------------|----------|
| Current Ratio | Current assets | Current liabilities | 1.12 | 1.02 | 9.80% |
| Debt-Equity Ratio | Total Debt (Note 1) | Total Equity | 0.83 | 0.96 | -13.54% |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service (Note 2) | 1.91 | 1.58 | 20.89% |
| Return on Equity Ratio | Profit for the year | Average Total Equity | 11.08 | 9.71 | 14.11% |
| Inventory turnover ratio | Revenue from Operations | Average Inventory | 1.80 | 1.85 | -2.70% |
| Trade Receivables turnover ratio | Revenue from Operations | Average Trade Receivable | 34.94 | 37.16 | -5.97% |
| Trade payables turnover ratio | Purchases and Other Services | Average Trade Payables | 3.93 | 3.86 | 1.81% |
| Net capital turnover ratio | Revenue from Operations | Working Capital | 15.78 | 69.36 | -77.25%* |
| Net profit ratio | Profit for the year | Revenue from Operations | 5.39% | 4.27% | 112bps^ |
| Return on Capital employed | EBIT (Note 3) | Capital Employed (Note 4) | 17.79% | 15.76% | 203bps |
| Return on Investment | Profit for the year | Average Total Assets | 4.71% | 3.79% | 92bps |



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

^ Increase in net profit with increased margin

Note 1: Debt includes lease liabilities

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

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

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

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

For the year ended 31st March, 2025

(Rs. in lakhs)

| Quarter ending | Value as per books of accounts | Value as per quarterly statement submitted with lenders | Difference | Reasons for difference |
|--------------------|--------------------------------|---|------------|--|
| June 30, 2024 | 31,326.13 | 30,188.90 | 1,137.23 | The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets in the statements filed with the lenders. |
| September 30, 2024 | 18,601.23 | 17,012.91 | 1,588.32 | |
| December 31, 2024 | 21,800.65 | 16,639.16 | 5,161.49 | |
| March 31, 2025 | 37,559.56 | 37,056.50 | 503.06 | |

For the year ended 31st March, 2024

(Rs. in lakhs)

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

37.33 Other statutory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group.
- The Group does not have any transactions with companies struck off.



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

37.34 Events occurring after the balance sheet date:

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

37.35 Figures in brackets pertain to previous year.

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

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


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



For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954


Aditya Chunjhunwala
Managing Director
DIN-01686189


A K Gupta

Chief Financial Officer



Pooja Dua
Company Secretary

Place: Lucknow
Date: 26th May, 2025









Independent Auditor's Report

To the Members of KM Sugar Mills Limited

Report on the Audit of financial statements

Opinion

We have audited the accompanying standalone financial statements of KM Sugar Mills Limited (*"the Company"*) which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as *"the financial statements"*].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (*"the Act"*) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (*"Ind AS"*) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Companies Act, 2013. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

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

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[Handwritten signature]



| Sl. No. | Key Audit Matter | Auditor's Response |
|---------|---|--|
| 1 | <p>Valuation of inventory of sugar:</p> <p>As on March 31, 2025, the Company has inventory of sugar with a carrying value INR 36022.42 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative value of inventory in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the Government in valuation of NRV.</p> | <p>Principal Audit Procedures</p> <p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing selling price during and subsequent to the year end, minimum selling price & monthly quota, and notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year-end and comparison with cost for valuation of inventory is considered to be reasonable.</p> |
| 3 | <p>Contingent Liabilities:</p> <p>There are various litigations pending before various forums against the Company and management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.</p> | <p>Principal Audit Procedures</p> <p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussing with management any material developments and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases produced by the management and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the |



| | | |
|--|--|--|
| | | <p>disclosure of contingent liabilities;</p> <ul style="list-style-type: none"> - examining management's judgements and assessments whether provisions are required; - considering the management assessments of those matters that are not disclosed as the probability of material outflow is considered to be remote;- reviewing the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p> |
|--|--|--|

Information Other than the standalone financial statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and



completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and(ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our report we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38.5 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. a) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in persons or entities identified in any manner whatsoever by or on behalf of the Company ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries;
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,



directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 1(e), as provided under clause (a) and (b) above, contain any material misstatement.
- (v) In our opinion, the company has not declared and paid dividend during the year so this para is not applicable to the company.
- (vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Mehrotra & Mehrotra
Chartered Accountants
(FRN: 000226C)


Sanjay K. Rai
Partner
M. No. 507946



Place: Lucknow
Date: 23.05.2025

UDIN: 25507946BMTGQXB109



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements of KM Sugar Mills Limited for the year ended 31st March, 2025, we report that:

- (i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and relevant details of right-of-use assets on the basis of available information;
 - (b) The Company has maintained proper records showing full particulars of intangible assets.
 - (c) The fixed assets of the Company have been physically verified by the management at reasonable intervals as per information provided to us and as explained; no material discrepancies were noticed on such verification;
 - (d) Based on our examination of lease agreement for land on which building is constructed, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (e) The company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- (ii) (a) According to the information and explanations given to us, the inventories have been physically verified by the management to the extent practicable at reasonable intervals during the year and as explained, there was no material discrepancies noticed on such verification.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, during the year from banks on the basis of security of current assets and the statements filed with the banks by the company are in agreement with books of account other than those set out in Note No.37.34 having difference because of statements filed with the lenders are based on provisional basis and also because of exclusion of certain current assets in the statement filed with lenders.
- (iii) (a) The Company has, in previous year, made investments in a company and provided unsecured loan to a company other than subsidiary, joint ventures and associates in respect of which:



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the aggregate amount of investment made and loan given during the year and balance outstanding at the balance sheet date with respect to such loans or advances to company other than subsidiaries, joint ventures and associates.

| Sl. No. | Nature | Aggregate Amount (Rs. in lakhs) | Outstanding at the balance sheet date (Rs. in lakhs) |
|---------|--|---------------------------------|--|
| 1 | Unsecured Loan Provided | 1075.00 | 1674.25 |
| 2 | Investment in Non-Cumulative Preference Shares | 375.00 | 4960.00 |

(The above amount is appearing in Note 5 on Current and Non-current loan Note 4 and Note 13 on Non-Current Investments.)

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

(b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the loans provided by the company are not prejudicial to the interest of the company except that the investment made are in non-cumulative preference shares and the interest due has not been received; instead, it has been added to and forms part of the outstanding loan balance.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated, however as per terms, the repayment of the loan or interest has not fallen due during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) In our opinion and according to the information and explanations given to us, no amount is overdue for more than ninety days in respect of the aforesaid loans as per repayment schedule of principal and payment of interest. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(e) No loan granted by the Company which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act, 2013 with respect to the loans, investments, guarantees and security provided by it.
- v) According to the information and explanations given to us, the Company has not accepted any deposits which are deemed to be deposits. Hence, reporting under clause 3(v) of the order is not applicable.



vi) In our opinion and according to the information and explanations given to us, the specified cost accounts and records as prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are prima facie maintained by the company.

vii) In respect of statutory dues:

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

(b) According to the information and explanations given to us, in respect of statutory dues, no undisputed dues were in arrears as at 31st March, 2025 for a period of more than six months from the date they become payable.

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

| Name of the statute | Nature of dues | Gross demand Amount (Rs. in lakhs) | Amount paid under protest (Rs. in lakhs) | Period to which pertain | Forum where dispute is pending |
|---------------------|----------------|-------------------------------------|---|-------------------------|-------------------------------------|
| Income Tax Act | Income Tax | 6.50 | - | 2017-2018 | Commissioner of Income Tax (Appeal) |
| Income Tax Act | Income Tax | 650.81 | - | 2014-2015 | Commissioner of Income Tax (Appeal) |
| Income Tax Act | Income Tax | 33.42 | - | 2019-2020 | Commissioner of Income Tax (Appeal) |
| Total | | 690.73 | - | | |

viii) According to the information and explanations given to us and the records of company examining by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix) (a) According to the records of the company examined by us and the and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.




- (b) According to the information and explanations given to us and on the basis of audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to information and explanation given to us, the company has applied the term loan for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of audit procedures performed by us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, the company has not raised any loans on pledge of security held in its subsidiaries, joint ventures or associate companies during the year and hence reporting on clause 3(ix) (f) of the order is not applicable.
- (x) (a) According to information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer or private placement of share or convertible debentures. Accordingly, clause 3 (x)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit;
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, no report under sub-section (12) of section 143 of the of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies Audit and Auditors) Rules, 2014 with the Central Government; Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company;
- (c) To the best of our knowledge and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have



- been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xy) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him in term of section 192 of Act. Accordingly, para 3(xy) of the order is not applicable.
- (xvi) (a) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a),(b) and (c) of the order is not applicable.
- (b) Based on the information and explanations provided by the management of the Company, there is not more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and based on our examination of the records of the company and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the order is not applicable for the year.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of the standalone financial statements. Accordingly, no comment in respect of the said clause has been made in this report.



For Mehrotra & Mehrotra
Chartered Accountants
(FRN: 000226C)


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



Place: Lucknow
Date: 26.05.2025

UDIN: 25507946BMTCOX8109



Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **KM Sugar Mills Limited** ("the Company") as of 31 March 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mehrotra & Mehrotra
Chartered Accountants
(FRN: 100226C)


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



Place: Lucknow
Date: 26.05.2025

UDIN: 26507946BMTCCX8109



K M Sugar Mills Limited
Registered office: 76, Eldeco Greens, Gomtinagar, Lucknow-226010 (UP)
CIN : L15421UP1971PLC003492, website: www.kmsugar.com
Balance Sheet as at 31st March, 2025

(Rs. in lakhs)

| Particulars | Note No. | As at 31st March, 2025 | As at 31st March, 2024 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non current assets | | | |
| (a) Property, plant and equipment | 3 | 15,875.17 | 16,058.21 |
| (b) Capital work in progress | 3A | 748.61 | 1,175.51 |
| (c) Intangible assets | 3B | 4.94 | 3.83 |
| (d) Right-of-use-assets | 3C | 4,627.19 | 4,866.57 |
| (e) Financial assets | | | |
| (i) Investments | 4 | 7,064.56 | 7,591.13 |
| (ii) Loans | 5 | 1,124.25 | 1,037.61 |
| (iii) Other financial assets | 6 | 968.95 | 618.15 |
| (f) Non current tax assets (net) | 7 | 335.00 | 167.67 |
| (g) Other non current assets | 8 | 2,145.23 | 1,997.96 |
| Total non current assets | | 32,893.90 | 33,516.64 |
| (2) Current assets | | | |
| (a) Inventories | 9 | 36,720.53 | 38,398.93 |
| (b) Financial assets | | | |
| (i) Investments | 10 | 296.00 | 0.03 |
| (ii) Trade and other receivables | 11 | 839.01 | 2,933.27 |
| (iii) Cash and cash equivalents | 12 | 384.17 | 726.61 |
| (iv) Bank balances other than cash and cash equivalents | 12A | 460.18 | 385.33 |
| (v) Loans | 13 | 550.00 | 870.00 |
| (vi) Other financial assets | 14 | 2.33 | 16.05 |
| (c) Other current assets | 15 | 842.24 | 1,081.73 |
| Total current assets | | 40,094.48 | 44,405.95 |
| Total assets | | 72,988.38 | 77,922.59 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 16 | 1,840.00 | 1,840.00 |
| (b) Other equity | 17 | 32,019.08 | 28,481.17 |
| Total equity | | 33,859.08 | 30,321.17 |
| LIABILITIES | | | |
| (1) Non current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 1,908.61 | 2,035.49 |
| (ii) Other financial liabilities | 19 | 33.08 | 51.44 |
| (b) Other non current liabilities | 20 | 14.50 | 14.50 |
| (c) Deferred tax liabilities (net) | 21 | 759.67 | 782.01 |
| (d) Provisions | 22 | 495.24 | 489.02 |
| Total non current liabilities | | 3,211.10 | 4,142.46 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 23 | 26,276.63 | 26,307.05 |
| (ii) Trade and other payables | 24 | 8,191.82 | 15,468.80 |
| (iii) Other financial liabilities | 25 | 1,138.80 | 1,115.23 |
| (b) Other current liabilities | 26 | 218.33 | 499.83 |
| (c) Provisions | 22 | 92.62 | 76.05 |
| Total current liabilities | | 35,918.20 | 43,458.96 |
| Total equity and liabilities | | 72,988.38 | 77,922.59 |

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 37 form an integral part of standalone financial statements


As per our report of even date attached

For Mehrotra & Mehrotra
Chartered Accountants
F.R. No. 0225C


CA, Sanjay K. Rai
Partner
M.No.507945



For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954


Anil Kumar Jaiswal
Managing Director
DIN:1686189


A.K. Gupta
Chief Financial Officer


Pooja Dua
Company Secretary
M. No. A50996

Place : Lucknow
Date : 26th May, 2025






K M Sugar Mills Limited
Registered office: 76, Eideco Greens, Gomtinagar, Lucknow-226010 (UP)
CIN : L15421UP1971PLC003492, website:www.kmsugar.com
Statement of Profit and Loss for the year ended 31st March, 2025

(Rs. in lakhs)

| | Particulars | Note No. | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
|------|---|----------|-----------------------------|-----------------------------|
| I | Revenue From Operations | 27 | 65,900.52 | 65,715.93 |
| II | Other Income | 28 | 737.02 | 849.05 |
| III | Total Income (I+II) | | 66,637.54 | 66,564.98 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 29 | 42,936.52 | 51,513.78 |
| | Purchase of stock in trade | 30 | 48.37 | 46.00 |
| | Changes in inventories of finished goods, by-products and work-in-progress | 31 | 1,668.54 | (3,007.29) |
| | Employee benefit expenses | 32 | 2,192.90 | 2,030.49 |
| | Finance costs | 33 | 1,816.54 | 1,654.28 |
| | Depreciation and amortisation expenses | 34 | 2,196.75 | 2,259.08 |
| | Other expenses | 35 | 10,886.11 | 8,157.57 |
| | Total expenses | | 61,745.73 | 62,653.91 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | | 4,891.81 | 3,911.07 |
| VI | Exceptional Items | | - | - |
| VII | Profit/(loss) before tax (V-VI) | | 4,891.81 | 3,911.07 |
| VIII | Tax expenses : | 36 | | |
| | Current tax | | 1,328.51 | 1,045.00 |
| | Tax expense of earlier year | | 25.81 | 2.64 |
| | Deferred tax | | (17.60) | 54.29 |
| | | | 1,336.72 | 1,101.93 |
| IX | Profit (Loss) for the period (VII-VIII) | | 3,555.09 | 2,809.14 |
| X | Other Comprehensive Income : | | | |
| | (i) Items that will not be reclassified to profit and loss : | | | |
| | Gain / (Loss) arising on actuarial valuation arising on defined benefit obligation | | (18.91) | (18.84) |
| | Gain / (Loss) arising on fair valuation of equity instruments | | 0.14 | (4.14) |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | | 4.73 | 5.57 |
| | | | (14.04) | (17.41) |
| XI | Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period) | | 3,541.05 | 2,791.73 |
| XII | Earnings per equity share (Equity share of Rs. 2/- each) | | | |
| | (1) Basic | | 3.86 | 3.05 |
| | (2) Diluted | | 3.86 | 3.05 |

Corporate Information

1

Significant Accounting Policies and accompanying notes 2 to 37 form an integral part of standalone financial statements

As per our report of even date attached

For Mehrotra & Mehrotra
Chartered Accountants
F.R. No 0276C

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



For and on behalf of Board of Directors

S. C. Agarwal
Executive Director
DIN-02461954

Ashish Jhunjhunwala
Managing Director
DIN-01686189

A. K. Gupta
Chief Financial Officer

Pooja Dua
Company Secretary
M. No. A50996

Place : Lucknow
Date : 26th May, 2025



(Signature)

K M Sugar Mills Limited
Registered office: 76, Eldeco Greens, Gominagar, Lucknow-226010 (UP)
CIN : L15421UP1971PLC003492, website:www.kmsugar.com
Statement of Cash Flows for the year ended 31st March, 2025

(Rs in lakhs)

| S.No. | Particulars | Year ended | |
|-----------|---|------------------|-------------------|
| | | 31st March, 2025 | 31st March, 2024 |
| A. | Cash flow from operating activities | | |
| | Profit before tax | 4,891.81 | 3,911.07 |
| | <i>Adjustment to reconcile profit before tax to net cash flow provided by operating activities:</i> | | |
| | Depreciation and amortisation expense | 2,196.75 | 2,259.08 |
| | Finance costs | 1,816.54 | 1,654.28 |
| | Transfer to storage fund for molasses | 2.84 | 3.03 |
| | Provision/(reversal) of doubtful debts | 4.45 | (0.70) |
| | Balances written off | 7.28 | 7.97 |
| | Interest income | (399.42) | (412.55) |
| | Government Grant | (29.48) | (118.58) |
| | Storage fund for molasses written back | (5.98) | - |
| | Fair valuation on investment and others | 181.81 | (4.61) |
| | Loss/(Profit) on sale of property, plant and equipments | 147.17 | 97.08 |
| | Unspent liabilities/balances written back | (13.66) | (51.92) |
| | Other measurement income | (30.95) | (32.88) |
| | Other measurement expenses | 27.43 | 22.52 |
| | Remeasurement of defined benefit obligation | (18.91) | (18.84) |
| | Operating Profit before working capital changes | 8,787.68 | 7,314.95 |
| | <i>Adjustment to reconcile operating profit to cash flow</i> | | |
| | (Increase)/Decrease in trade and other receivables | 2,094.26 | (2,329.20) |
| | (Increase) / Decrease in inventories | 1,678.38 | (3,084.03) |
| | (Increase) / Decrease in Non current Assets | (186.43) | (1.04) |
| | (Increase) / Decrease in Current | 120.58 | (87.79) |
| | (Increase) / Decrease in Non current Financial Assets | (349.85) | 46.81 |
| | (Increase) / Decrease in Current Financial Assets | (50.82) | (724.95) |
| | Increase / (Decrease) in trade payables & Others | (7,255.32) | 2,455.82 |
| | Increase / (Decrease) in non current liabilities | - | 89.10 |
| | Increase / (Decrease) in current | (252.02) | 87.66 |
| | Increase / (Decrease) in Other Non current Financial Liabilities | (18.36) | 14.50 |
| | Increase / (Decrease) in Other current Financial Liabilities | 64.17 | (22.89) |
| | Increase / (Decrease) in Non Current Provisions | 6.22 | 7.62 |
| | Increase / (Decrease) in Current Provisions | 16.57 | (13.40) |
| | Cash generated from operations | 4,655.06 | 3,753.16 |
| | Tax expense | (1,521.66) | (877.15) |
| | Net cash generated from operating activities (A) | 3,133.40 | 2,876.01 |
| B. | Cash Flow from investing activities | | |
| | Addition to property, plant and equipment (including capital work in progress) (Net) | (1,537.22) | (2,583.71) |
| | Proceed from Sale of property, plant and equipment | 41.51 | 15.82 |
| | Investment in equity and other (Net) | 348.92 | (1,295.00) |
| | Interest income received | 424.44 | 447.37 |
| | Net cash used in investing activities (B) | (722.35) | (3,415.52) |

8



| | | | | | |
|-----------|---|------------|------------|------------|--------|
| C. | Cash flow from financing activities | | | | |
| | Proceed/(Repayments) of long term borrowings | (1,152.06) | | (2,679.29) | |
| | Proceeds/(Repayments) of short term borrowings | 224.76 | | 4,977.23 | |
| | Finance cost paid | (1,826.19) | (2,753.49) | (1,617.32) | 690.62 |
| | Net cash from financing activities (C) | | | | |
| | Net increase in cash & cash equivalents (A+B+C) | | (342.44) | | 141.11 |
| D. | Opening cash and cash equivalents | | 726.61 | | 585.50 |
| E. | Closing cash and cash equivalents for the purpose of | | 384.17 | | 726.61 |
| | Increase in cash & cash equivalents (D-E) | | (342.44) | | 141.11 |

Notes:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian

2) Cash and cash equivalents at year end comprises:

| | | |
|---|---------------|---------------|
| Cash on hand | 5.19 | 5.34 |
| Cheque on hand | 308.00 | - |
| Balances with Banks | 70.98 | 100.42 |
| Fixed deposit with Bank original maturity upto 3 months | - | 620.85 |
| Supplementary Information | 384.17 | 726.61 |

- Restricted Cash Balance (Note 12A)*

* amount not included in cash and cash equivalent

As per our report of even date attached

For Mehrotra & Mehrotra

Chartered Accountants

F.R. No 0226C


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



For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954


Aditya Bhunjunwala
Managing Director
DIN-01686189


A. K. Gupta
Chief Financial Officer


Pooja
Company Secretary
M. No. A50996

Place : Lucknow

Date : 26th May, 2025



K.M SUGAR MILLS LIMITED
CIN : L15421UP1971PLC003492

Statement of change in equity

(a) Equity Share Capital

(Rs. in lakhs)

| | As at 31st March, 2025 | Change during the year | As at 31st March, 2024 | Change during the year | As at 31st March, 2023 |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Balance of Equity Share Capital | 1,840.00 | - | 1,840.00 | - | 1,840.00 |
| | 1,840.00 | - | 1,840.00 | - | 1,840.00 |

(b) Other equity

(Rs. in lakhs)

| Description | General Reserve | Molasses Storage Fund | Sugar Price Equalisation Reserve | Securities Premium Account | Retained Earning | Items of Other Comprehensive Income | | | Total |
|---------------------------------|-----------------|-----------------------|----------------------------------|----------------------------|------------------|-------------------------------------|----------------|---|-----------|
| | | | | | | Revaluation reserve | FVTOCI reserve | Gain / Loss arising on actuarial valuation of defined benefit | |
| As at April 01, 2023 | 1,179.90 | 27.55 | 12.40 | 2,688.01 | 15,902.24 | 6,068.93 | (85.24) | (107.38) | 25,686.41 |
| Profit for the period | - | - | - | - | 2,809.14 | - | - | - | 2,809.14 |
| Other Comprehensive Income | - | - | - | - | - | - | (3.31) | (14.10) | (17.41) |
| Transfer to Molasses Fund | - | 3.03 | - | - | - | - | - | - | 3.03 |
| Transfer to retained earning | - | - | - | - | 0.85 | (0.85) | - | - | - |
| As at 31st March, 2024 | 1,179.90 | 30.58 | 12.40 | 2,688.01 | 18,712.23 | 6,068.08 | (88.55) | (121.48) | 28,481.17 |
| Profit for the period | - | - | - | - | 3,555.09 | - | - | - | 3,555.09 |
| Other Comprehensive Income | - | - | - | - | - | - | 0.11 | (14.15) | (14.04) |
| Total Comprehensive Income | 1,179.90 | 30.58 | 12.40 | 2,688.01 | 22,267.32 | 6,068.08 | (88.44) | (135.63) | 32,022.22 |
| Transfer to General Reserve | 8,820.10 | - | - | - | (8,820.10) | - | - | - | - |
| Transfer to Molasses Fund | - | 2.84 | - | - | - | - | - | - | 2.84 |
| Storage fund of molasses w/back | - | (5.98) | - | - | - | - | - | - | (5.98) |
| Transfer to retained earning | - | - | - | - | 1,433.10 | (1,433.10) | - | - | - |
| As at March 31, 2025 | 10,000.00 | 27.44 | 12.40 | 2,688.01 | 14,880.32 | 4,634.98 | (88.44) | (135.63) | 32,019.08 |



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


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



For and on behalf of Board of Directors


S. C. Agarwal
Executive Director
DIN-02461954

A.K. Gupta
Chief Financial Officer


Aditya Jhunjhunwala
Managing Director
DIN-01586189

Pooja Dua
Company Secretary
M. No. A50996

Place : Lucknow
Date : 26th May, 2025

1. Corporate Information

K M Sugar Mills Limited ("the Company") having Corporate Identity Number ("CIN") L15421UP1971PLC003492 is a public limited company incorporated and domiciled in India and has its registered office situated at 76, Eldeco Greens, Gomtinagar, Lucknow-226010, Uttar Pradesh, India.

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance with Ind AS

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

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

2.2 Basis of Preparation of Financial Statements

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

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

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

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

2.3 Use of Estimates

The preparation of the Financial Statements in conformity with measurement principle under Ind AS requires the management to make estimates, judgment and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.



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

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

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

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

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

(ii) Current taxes and deferred taxes

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

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

(iii) Estimation of Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end.

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(iv) Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the discounted cash flow (DCF) model. The company uses its judgment to select a variety



of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

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

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

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

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

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

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

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

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

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

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



The estimated useful lives considered are as follows:

| Category | 31 st March, 2025 |
|--|------------------------------|
| Buildings | 03-60 years |
| Roads | 03-10 years |
| Plant & Machinery | 05-25 years |
| Furniture & Fixtures | 10 years |
| Vehicles | 05-10 years |
| Office Equipments | 5 years |
| Computers | 03-06 years |
| Laboratory Equipments | 05-10 years |
| Electrical Installations and Equipment | 10 years |

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

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

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

(d) Expenditure during construction period

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

2.5 Intangible assets

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

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

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

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



2.6 Revenue Recognition and Expenses

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

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

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

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

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

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

2.7 Inventory

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

Inventories are valued as under:

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



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

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

2.8 Fair value measurement

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

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

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

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

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

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

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

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

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

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



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

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

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

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

2.9 Financial instruments

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

A. Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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



Equity investments

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

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

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

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

Preference Share

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

De-recognition

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

B. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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



Derecognition of financial liabilities:

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

C. Offsetting of financial instruments

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

2.10 Employees Benefits

(i) Short term employee benefits

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

(ii) Post employment benefits

Defined contribution plans:

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

Defined benefit plan:

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

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

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

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

Actuarial gains and losses are recognized in the other comprehensive income



(iii) Long term employment benefits

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

(iv) Compensated absences

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

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

2.11 Borrowing Costs

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

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

2.12 Dividend payable

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

2.13 Government Grants

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

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

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



2.14 Financial Derivatives and Commodity Hedging Transactions

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

2.15 Foreign Currency Transactions and Translations

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

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

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

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

2.16 Taxes on Income

(a) Current Tax

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

(b) Deferred Tax

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

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

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

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

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



2.17 Impairment of Assets

Non financial Assets

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

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

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

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

Financial Assets

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

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

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

2.18 Provisions, Contingent Liabilities and Contingent Assets

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

2.19 Investment Property

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



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

2.20 Segment Reporting

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

2.21 Earnings Per Share

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

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

2.22 Cash and Cash Equivalents

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

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

2.23 Cash Flow Statement

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

2.26 Leases

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

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain



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

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

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

Company as a lessee

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

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

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

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

Company as a lessor



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

For Mehrotra & Mehrotra

Chartered Accountants

F.R. No. 02226C

CA. Sanjay K. Rai

Partner

M.No. 507946



For and on behalf of Board of Directors

S. C. Agarwal

Executive Director

DIN-02461954

A K Gupta

Chief Financial Officer

Atisha Jhunjhunwala

Managing Director

DIN-01686189

Podja Dua

Company Secretary

M.No-A50996

Place: Lucknow

Date: 26th May, 2025



Rishi Kumar
K.M. SUGAR MILLS LIMITED
Lucknow

K M Sugar Mills Limited
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2025

(Rs. in lakhs)

Note 3: Property, Plant and Equipment

| Particulars | Land (Free hold) | Building | Plant and equipment | Furniture & fixtures | Vehicles | Office equipments | Computers | Total |
|------------------------------------|---------------------|-----------------|------------------------|-------------------------|-----------------|----------------------|---------------|------------------|
| Gross Block | | | | | | | | |
| Balance as at 1st April,23 | 930.78 | 1,418.03 | 36,162.81 | 553.19 | 1,076.37 | 163.39 | 129.84 | 40,434.41 |
| Additions | - | 12.72 | 1,813.21 | 23.23 | - | 7.92 | 2.91 | 1,859.99 |
| Disposal/Deduction | - | - | 979.09 | - | 2.92 | - | - | 982.01 |
| Balance as at 31st March,24 | 930.78 | 1,430.75 | 36,996.93 | 576.42 | 1,073.45 | 171.31 | 132.75 | 41,312.39 |
| Additions | 20.27 | 98.98 | 1,576.09 | 24.68 | 225.91 | 12.62 | 2.07 | 1,960.62 |
| Disposal/Deduction/Adjustment | - | - | 528.06 | 1.24 | 13.30 | 3.28 | - | 545.88 |
| Balance as at 31st March,25 | 951.05 | 1,529.73 | 38,044.96 | 599.86 | 1,286.06 | 180.65 | 134.82 | 42,727.13 |
| Accumulated depreciation | | | | | | | | |
| Balance as at 1st April,23 | - | 896.73 | 21,574.23 | 450.54 | 927.15 | 140.52 | 119.83 | 24,109.00 |
| Depreciation for the year | - | 116.89 | 1,808.02 | 30.40 | 43.26 | 10.44 | 5.26 | 2,014.27 |
| Disposal/Deduction | - | - | 866.31 | - | 2.78 | - | - | 869.09 |
| Balance as at 31st March,24 | - | 1,013.62 | 22,515.94 | 480.94 | 967.63 | 150.96 | 125.09 | 25,254.18 |
| Depreciation for the year | - | 49.52 | 1,823.80 | 26.09 | 42.67 | 10.14 | 2.76 | 1,954.98 |
| Disposal/Deduction | - | - | 340.80 | 1.21 | 12.00 | 3.19 | - | 357.20 |
| Balance as at 31st March,25 | - | 1,063.14 | 23,998.94 | 505.82 | 998.30 | 157.91 | 127.85 | 26,851.96 |

Net Carrying amount - Property, Plant and Equipment

| Net Carrying Amount | Land (Free hold) | Building | Plant and equipment | Furniture & fixtures | Vehicles | Office equipments | Computers | Total |
|------------------------|---------------------|----------|------------------------|-------------------------|----------|----------------------|-----------|-----------|
| As at 31st March, 2024 | 930.78 | 417.13 | 14,480.99 | 95.48 | 105.82 | 20.35 | 7.66 | 16,058.21 |
| As at 31st March, 2025 | 951.05 | 466.59 | 14,046.02 | 94.04 | 287.76 | 22.74 | 6.97 | 15,875.17 |

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



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K M Sugar Mills Limited
Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2025

Note 3A Capital work in progress

| (Rs. in lakhs) | |
|--------------------------------|----------|
| Balance as at 01st April, 2023 | 453.18 |
| Additions | 2,379.54 |
| Capitalisation | 1,657.21 |
| Balance as at 31st March, 2024 | 1,175.51 |
| Additions | 1,156.25 |
| Capitalisation | 1,583.15 |
| Balance as at 31st March, 2025 | 748.61 |

Refer note no. 38.26 for ageing

Note 3B Intangible Assets

| (Rs. in lakhs) | |
|--|---------------|
| Description | Amount |
| Gross carrying amount as at 01st April, 2023 | 36.07 |
| Additions | 1.39 |
| Deductions | - |
| Balance as at 31st March, 2024 | 37.46 |
| Additions | 3.50 |
| Deductions | - |
| Balance as at 31st March, 2025 | 40.96 |
| Acumulated depreciation as at 01st April, 2023 | 32.36 |
| Depreciation for the year | 1.27 |
| Deductions | - |
| Balance as at 31st March, 2024 | 33.63 |
| Depreciation for the year | 2.39 |
| Balance as at 31st March, 2025 | 36.02 |
| Net carrying amount | |
| As at 31st March, 2024 | 3.83 |
| As at 31st March, 2025 | 4.94 |

Note 3C Right-of-use-assets*

| (Rs. in lakhs) | |
|--|---------------|
| Description | Amount |
| Gross carrying amount as at 01st April, 2023 | 6,071.16 |
| Additions | - |
| Deductions | 7.69 |
| Balance as at 31st March, 2024 | 6,063.47 |
| Additions | - |
| Deductions | - |
| Balance as at 31st March, 2025 | 6,063.47 |
| Acumulated depreciation as at 01st April, 2023 | 957.52 |
| Depreciation for the year | 243.54 |
| Deductions | 4.16 |
| Balance as at 31st March, 2024 | 1,196.90 |
| Depreciation for the year | 239.38 |
| Deductions | - |
| Balance as at 31st March, 2025 | 1,436.28 |
| Net carrying amount | |
| As at 31st March, 2024 | 4,866.57 |
| As at 31st March, 2025 | 4,627.19 |

* Refer note no.37.26



Note 4 Non-current Investments

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| (i) Equity Instruments | | |
| (1) Measured at cost | | |
| Unquoted | | |
| In equity shares of companies fully paid up | | |
| Subsidiary company | | |
| 50,000 shares having face value of Rs. 10 each in KM Sprits and Allied Industries Ltd. | 5.00 | 5.00 |
| (2) Designated at Fair Value through other comprehensive income | | |
| Unquoted | | |
| (a) 1,000 shares having face value Rs.10 each in Chamoli Hydro Power Pvt. Ltd. | 0.23 | 0.10 |
| (b) 25,000 shares having face value Rs.10 each in KM Shakar Karkhana Pvt Ltd. | - | - |
| (c) 2,000 shares having face value of Rs. 10 each in HH | - | - |
| (d) 10,90,000 shares having face value of Rs. 10 each in Sonar Casting Ltd. | - | - |
| (ii) Preference share (Measured at fair value) | | |
| In 12.50% Non-cumulative redeemable preference shares fully paid up | | |
| 4,96,00,000 (4,58,50,000) Preference Shares having face value of Rs.10 each in Sonar Casting Ltd. | 4,709.33 | 4,585.00 |
| In 9% Non-cumulative redeemable preference shares fully paid up | | |
| (a) 38,50,000 preference shares having face value of Rs. 10 each in Brahma Properties Pvt. Ltd. | - | 345.46 |
| (b) 33,89,215 preference shares having face value of Rs. 10 each in K M Energy Pvt. Ltd. | - | 305.57 |
| (iii) In 8% Optionally fully convertible debenture fully paid up | | |
| Measured at cost | | |
| 2,350 (2,350) Optionally fully convertible Debenture with face Value of Rs.1,00,000 each in K M Strategic Investments & Holdings Pvt. Ltd. | 2,350.00 | 2,350.00 |
| Total | 7,064.56 | 7,591.13 |
| Aggregate carrying value of unquoted investments | 7,064.56 | 7,591.13 |
| Aggregate fair value of unquoted investments | 7,064.56 | 7,591.13 |

Note 5 Non-current Loans

| | (Rs. in lakhs) | |
|----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Carried at cost | | |
| Unsecured, considered good | | |
| Loan to a related party | 1,124.25 | 1,037.61 |
| Total | 1,124.25 | 1,037.61 |



K M Sugar Mills Limited

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2025

Note 6 Other non-current financial assets

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good: | | |
| Security deposits | 40.34 | 342.85 |
| Fixed deposit with banks | | |
| Original maturity more than 12 months | 738.50 | 14.50 |
| Fixed deposit (Earmarked) | | |
| Original maturity more than 12 months * | 175.45 | 252.11 |
| For molasses storage fund maturing after 12 months | 6.50 | 5.50 |
| Interest accrued on fixed deposits with banks | 8.16 | 3.19 |
| Total | 968.95 | 618.15 |

*Held with banks and Government departments

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

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Advance Tax | 1,583.43 | 1,133.44 |
| TDS and TCS Receivable | 80.08 | 79.23 |
| | 1,663.51 | 1,212.67 |
| Less: Provision for Income Tax for current year | 1,328.51 | 1,045.00 |
| Total | 335.00 | 167.67 |

Note 8 Other Non Current Assets

| | (Rs. in lakhs) | |
|--------------------------------------|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good: | | |
| Capital advances | 2,072.39 | 1,909.16 |
| Advance to suppliers and others | | |
| Considered Good | | |
| Considered doubtful | 47.23 | 42.85 |
| Less: Allowance for doubtful advance | 47.23 | 42.85 |
| Others | 3.01 | 3.01 |
| Duties and Taxes Paid under protest | - | 1.34 |
| Prepaid Expenses | 69.83 | 84.45 |
| Total | 2,145.23 | 1,997.96 |

Note 9 Inventories

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| <i>(As taken, valued and certified by the Management)</i> | | |
| (a) Raw materials | - | 4.34 |
| (b) Finished Goods * | 36,022.42 | 37,098.06 |
| (c) Work in progress | - | 592.90 |
| (d) Stores and spares | 698.13 | 703.63 |
| Total | 36,720.55 | 38,398.93 |

(Refer Note No. 2.7 for Method of Valuation)

Note 10 Current Investments

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Designated at fair value through OCI | | |
| Investment in SBI Mutual Fund | | |
| 200.00 (Previous year 200.00) units of SBI Balanced Advantage Fund | 0.03 | 0.03 |
| 6,46,416.306 (Previous year Nil) units of SBI Equity Saving Fund | 146.86 | - |
| 2,35,441.161 (Previous year Nil) units of HDFC Equity Saving Fund | 149.11 | - |
| Total | 296.00 | 0.03 |



K M Sugar Mills Limited

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2025

Note 11 Trade and other receivables

| | (Rs. in lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good: | | |
| Trade receivables | | 2,933.27 |
| Includes unbilled revenue of Rs.135.70 lakhs (previous year Rs.144.13 Lakhs) | 839.01 | |
| Credit impaired | 16.01 | 15.94 |
| | 855.02 | 2,949.21 |
| Less:- Allowance for doubtful debts | 16.01 | 15.94 |
| Total | 839.01 | 2,933.27 |

Refer note no. 37.29 for ageing schedule. Includes receivable Rs.0.51 lakhs from related party(s) (Previous year Rs.2225.41)

Note 12 Cash and cash equivalents

| | (Rs. in lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Balances with Banks | 70.98 | 100.42 |
| Fixed deposit with Bank original maturity upto 3 months | - | 620.85 |
| Cheques on Hand | 308.00 | - |
| Cash on hand* | 5.19 | 5.34 |
| Total | 384.17 | 726.61 |

*As certified by the management

Note 12A Bank balances other than cash and cash equivalents

| | (Rs. in lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Fixed deposits with banks (Earmarked) | | |
| Pledged with bank maturing within 12 months | 412.47 | 208.34 |
| Pledged with bank for bank guarantee maturing within 12 months* | 11.69 | 107.98 |
| For security with Government authorities maturing within 12 months* | 11.51 | 41.24 |
| For molasses storage fund original maturity period upto 12 months** | 23.20 | 26.46 |
| Unpaid dividend accounts | 1.31 | 1.31 |
| Total | 460.18 | 385.33 |

*Held with banks and Government departments

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

Note 13 Loans

| | (Rs. in lakhs) | |
|----------------------------|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good | | |
| Loans and advances | | |
| Loan to a related party | 550.00 | 870.00 |
| Total | 550.00 | 870.00 |

Note 14 Other financial assets

| | (Rs. in lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good | | |
| Interest accrued on fixed deposits with banks | 2.33 | 10.05 |
| Total | 2.33 | 10.05 |



Note 15 Other current assets

| | (Rs. in lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Unsecured, considered good unless stated otherwise | | |
| Security Deposit | | |
| Unsecured, considered good | 26.87 | 26.87 |
| Credit impaired | 16.00 | 16.00 |
| | 42.87 | 42.87 |
| Less: Allowance for expected credit loss | 16.00 | 16.00 |
| | 26.87 | 26.87 |
| Interest receivable from related parties | - | 118.91 |
| GST and other taxes receivable | 54.13 | 155.38 |
| Advance to employees | 23.20 | 15.79 |
| Advances for supply of goods & services | 204.31 | 89.05 |
| Prepaid Expenses | 266.23 | 353.04 |
| CSR Pre-Spent* | 164.00 | 219.00 |
| Others | 103.50 | 103.69 |
| Total | 842.24 | 1,001.73 |

*Refer note no. 37.12

Note 16 Equity Share Capital

| | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|--------------------------|------------------------|--------------------------|
| | No. of shares | Amount (Rs. in lakhs) | No. of shares | Amount (Rs. in lakhs) |
| Authorised | | | | |
| Equity Shares of Rs. 2/- each | 100,000,000 | 2,000.00 | 100,000,000 | 2,000.00 |
| Issued, subscribed and fully paid up | | | | |
| Equity Shares of Rs. 2/- each | 92,000,170 | 1,840.00 | 92,000,170 | 1,840.00 |
| Reconciliation of number and amount of shares outstanding | | | | |
| | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2025 | As at 31st March, 2024 |
| | No. of shares | Amount (Rs. in lakhs) | No. of shares | Amount (Rs. in lakhs) |
| At the beginning of the year | 92,000,170 | 1,840.00 | 92,000,170 | 1,840.00 |
| Change during the year | - | - | - | - |
| Outstanding at the end of the year | 92,000,170 | 1,840.00 | 92,000,170 | 1,840.00 |

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

The Company has only one class of issued, subscribed and paid up equity shares having a par value of Rs. 2/- each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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

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

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|------------------------|----------------------------|------------------------|----------------------------|
| | No. of Shares held | Percentage of shareholding | No. of Shares held | Percentage of shareholding |
| Equity shares of INR 2/- each fully paid up | | | | |
| Mr. L. K. Jhunjhunwala | 14,302,600 | 15.55 | 14,302,600 | 15.55 |
| L. K. Jhunjhunwala (HUF) | 10,065,900 | 10.94 | 10,065,900 | 10.94 |
| Mr. Aditya Jhunjhunwala | 5,289,242 | 5.75 | 5,289,242 | 5.75 |
| Marvel Business Pvt. Ltd. | 12,065,975 | 13.12 | 12,065,975 | 13.12 |

Refer note no.37.31 for details of shares held by promoter and promoter group of the Company



Note 17: Other equity

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| General Reserve | | |
| Opening balance | 1,179.90 | 1,179.90 |
| Add: Changes during the year | 8,820.10 | - |
| Closing balance | <u>10,000.00</u> | <u>1,179.90</u> |
| Molasses Storage Fund | | |
| Opening balance | 30.58 | 27.55 |
| Less: Written back during the year | 5.98 | - |
| Add: Changes during the year | 2.84 | 3.03 |
| Closing balance | <u>27.44</u> | <u>30.58</u> |
| Sugar Price Equalisation Reserve | | |
| Opening balance | 12.40 | 12.40 |
| Add: Changes during the year | - | - |
| Closing balance | <u>12.40</u> | <u>12.40</u> |
| Securities Premium Account | | |
| Opening balance | 2,688.01 | 2,688.01 |
| Add: Changes during the year | - | - |
| Closing balance | <u>2,688.01</u> | <u>2,688.01</u> |
| Retained Earnings | | |
| Opening balance | 18,712.23 | 15,902.24 |
| Add: Profit/ Loss during the year | 3,555.09 | 2,809.14 |
| Add: Transfer from Other Comprehensive Income | 1,433.10 | 0.85 |
| Less: Transfer to general reserve | 8,820.10 | - |
| Closing balance | <u>14,880.32</u> | <u>18,712.23</u> |
| Comprehensive Income | | |
| Opening balance | 5,858.05 | 5,876.31 |
| Add: Changes during the year | (14.04) | (17.41) |
| Less: Transfer to Retained Earnings | 1,433.10 | 0.85 |
| Closing balance | <u>4,410.91</u> | <u>5,858.05</u> |
| Total | <u>32,019.08</u> | <u>28,481.17</u> |

- i. General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is appropriated to general reserve. Under the erstwhile Companies Act 1956, it was mandatory to transfer amount before a company can declare dividend, however Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- ii. The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyanttran (Sansodhan) Adesh, 1974. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to Rs.29.70 lakhs (Previous year: Rs.31.96 lakhs). [Refer Note No.6 and 12A].
- iii. Sugar Price Equalisation Reserve: Refer note no.37.13
- iv. Securities premium: securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write off equity related expenses like underwriting cost etc.
- v. Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.
- vi. Other comprehensive income (OCI) represents the balance relating to re-measurement gain/(loss) of defined benefit obligation, gain or loss on equity investments and revaluation of fixed assets in earlier years prior to compliance of Ind AS and revaluation of land.



| | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Current | Non current | Current | Non current |
| Secured term loans from banks | | | | |
| State Bank of India-U.P Govt. SEFASU Loan (At amortised cost) | - | - | 237.69 | - |
| State Bank of India GECL | 363.16 | - | 499.73 | 409.69 |
| State Bank of India Turbine Term Loan* | 72.00 | 879.41 | - | - |
| State Bank of India Term Loan* | 833.33 | - | 833.33 | 833.30 |
| HDFC Bank Term Loan | 625.00 | 937.50 | 625.00 | 1,562.50 |
| BMW Financial Services Pvt. Ltd.- Car Loan | 47.08 | 91.70 | - | - |
| Total | 1,940.57 | 1,908.61 | 2,195.75 | 2,805.49 |

Details of securities offered

(1) Rupee Term Loan of State Bank of India (U.P. Govt. SEFASU Loan) is secured by first charge on entire fixed assets of the company, present and future, on pari passu basis with other term lenders.

(2) Rupee Term Loan of State Bank of India (GECL) is secured by second charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders.

(3) Rupee Term Loan of State Bank of India and HDFC Bank are secured by exclusive first charge on refinery assets and pari passu first charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of a director.

(4) Rupee Turbine Term Loan of State Bank of India is secured by exclusive first charge on 15 MW turbine and pari passu first charge on entire fixed assets and second charge on current assets of the company, present and future, on pari passu basis with other term lenders and personal guarantee of a director.

(5) Rupee Loan of BMW Financial Services Pvt. Ltd. (Car Loan) is secured by first charge on car financed.

Terms of Repayment

| Name of the banks / entities | Interest Rate (%) | Amount Outstanding as on 31st March, 2025 | | Period of maturity as at 31st March, 2025 | No. and amount of instalment outstanding |
|--|-------------------|---|-----------------|---|--|
| | | Current | Non Current | | |
| SBI GECL | 9.10 | 363.16 | - | 6 months | 6 monthly instalment of Rs.45.52 lakhs |
| SBI Turbine Term Loan* | 8.60 | 72.00 | 879.41 | 3 years and 7 months | 12 monthly instalments of Rs.6.00 lakhs, 12 monthly instalments of Rs.20.00 lakhs, 12 monthly instalments of Rs.30.00 lakhs, 6 monthly instalments of Rs.40.00 lakhs and 1 instalment of Rs.39 lakhs |
| SBI Term Loan* | 8.60 | 833.33 | - | 12 months | 12 monthly instalment of Rs.69.45 lakhs |
| HDFC Term Loan | 8.28 | 625.00 | 937.50 | 2 years and 6 months | 10 Quarterly instalment of Rs.156.25 lakhs |
| BMW Financial Service Pvt. Ltd.-Car loan | 7.77 | 47.08 | 91.70 | 2 years and 9 months | 33 monthly instalment of Rs.6.68 lakhs including EM: interest |
| Total | | 1,940.57 | 1,908.61 | | |

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.

*INR term loans from SBI has been converted in foreign currency term loan (FCTL) for a period of 180 days linked at a floating rate of interest @ 6.1891% excluding hedging cost, while the total all in costs is 8.60% p.a.

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



Note 19 Other non current financial liabilities

| | (Rs. in lakhs) | |
|-----------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Corporate Guarantees issued | 33.08 | 51.44 |
| Total | 33.08 | 51.44 |

Note 20 Other non current liabilities

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Deferred Government Grant Other payable | 14.50 | 14.50 |
| Total | 14.50 | 14.50 |

Note 21 Deferred tax liabilities (net)

| | (Rs. in lakhs) | |
|-------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Deferred Tax Liabilities | | |
| Depreciation | 1,105.95 | 1,082.06 |
| Total A | 1,105.95 | 1,082.06 |
| Deferred Tax Assets | | |
| Expenses allowable on payment basis | 107.19 | 98.66 |
| Others | 239.09 | 201.39 |
| Total B | 346.28 | 300.05 |
| Total A-B | 759.67 | 782.01 |

*Refer Note 36

Note 22 Provisions

| | (Rs. in lakhs) | | | |
|---|------------------------|---------------|------------------------|---------------|
| | As at 31st March, 2025 | | As at 31st March, 2024 | |
| | Current | Non current | Current | Non current |
| Provisions for employees benefits* | | | | |
| Unavailed leave | 29.47 | 43.39 | 22.72 | 37.17 |
| Gratuity | 63.15 | - | 53.33 | - |
| Other Provision ** | - | 451.85 | - | 451.85 |
| Total | 92.62 | 495.24 | 76.05 | 489.02 |

* Refer note no.37.4

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

Note 23 Short Term borrowings

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Secured | | |
| Loan payable on demand | | |
| Working capital loans from banks | | |
| State Bank of India | 15,364.24 | 11,719.31 |
| Punjab National Bank | 4,493.40 | 4,483.73 |
| HDFC Bank Ltd. | 982.44 | 5,923.97 |
| Yes Bank Ltd. | 3,495.98 | 1,984.29 |
| Current maturities of long term borrowings* | 1,940.57 | 2,195.75 |
| Total | 26,276.63 | 26,307.05 |

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

Summary of short term borrowings

Secured borrowings

Nature of Securities

Working capital loans from State Bank of India, Punjab National Bank, HDFC Bank Ltd. and Yes bank Ltd. are secured by way of hypothecation and first pari passu charge on stocks of sugar, molasses, consumable stores / spares, industrial alcohol, book debts and other current assets of the company and second pari passu charge with other working capital lenders on entire fixed assets and all other movable and immovable assets of the company (existing & future) and personal guarantee of a director.



Note 24 Trade and other payables

| | (Rs. in lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Trade payable | | |
| Payable to Micro and small enterprises* | 148.19 | 233.86 |
| Payable to other than Micro and small enterprises | 7,968.08 | 14,952.28 |
| Other payables-Suppliers of capital goods | | |
| Payable to Micro and small enterprises* | 27.18 | 45.61 |
| Payable to other than Micro and small enterprises | 48.37 | 229.05 |
| Total | 8,191.82 | 15,460.80 |

* Refer note no.37.7

Refer note no.37.30 for ageing schedule

Note 25 Other current financial liabilities

| | (Rs. in lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Interest accrued but not due on borrowings | 0.42 | 1.01 |
| Interest accrued and due on borrowings | 14.59 | 23.65 |
| Security Deposit | 280.16 | 277.30 |
| Salary and other payables to employees | 220.96 | 209.20 |
| Unpaid dividend | 1.31 | 1.31 |
| Outstanding liability of related party | 290.04 | 280.39 |
| Corporate guarantee | 18.36 | 21.28 |
| Other payable * | 312.96 | 301.09 |
| Total | 1,138.80 | 1,115.23 |

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

Note 26 Other current liabilities

| | (Rs. in lakhs) | |
|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Statutory liabilities | 142.37 | 305.52 |
| Deferred government grant | - | 29.48 |
| Advances from customers | 75.96 | 164.83 |
| Total | 218.33 | 499.83 |



Note 27 Revenue from operations

| | (Rs. in lakhs) | |
|--------------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Sale of goods | | |
| Sugar | 52,739.98 | 54,757.58 |
| Molasses | 22.80 | 22.80 |
| Bagasse | 2,859.19 | 2,939.08 |
| Industrial alcohol | 4,276.00 | 6,148.15 |
| Power | 759.71 | 288.09 |
| Others* | 4,909.16 | 1,560.23 |
| Total A | 65,646.84 | 65,715.93 |
| Other operating revenue** | | |
| Export quota sale | 253.68 | - |
| Total B | 253.68 | - |
| Total revenue from operations | Total A+B | 65,900.52 |
| | | 65,715.93 |

*Include country liquor sale Rs.4844.75 lakhs (Previous year Rs.1444.55 lakhs)

** Refer Note No. 37.20

Note 28 Other income

| | (Rs. in lakhs) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Interest income | | |
| From Banks | 59.86 | 64.20 |
| On income tax refund | - | 11.72 |
| From Others | 329.56 | 348.35 |
| Deferred Government Grant* | 29.48 | 118.58 |
| Other non operating income | | |
| Foreign currency Gain/(Loss) | 0.11 | - |
| Insurance claims | 23.13 | 137.25 |
| Profit on sale of fixed assets | 11.22 | 12.40 |
| Unspent liabilities/balances written back | 13.66 | 51.92 |
| Miscellaneous income | 160.18 | 61.13 |
| Gain on mutual funds | - | 0.01 |
| Drawback receipt | - | 5.31 |
| Reversal of provision for doubtful debts/Advances | - | 0.70 |
| Storage fund for molasses written back** | 5.98 | - |
| Profit on sale of investment | 72.89 | - |
| Others*** | 30.95 | 32.88 |
| Fair valuation of financial instrument | - | 4.60 |
| Total | 737.02 | 849.05 |

*Refer Note No. 37.11

** Refer note no.17

*** Measurement of Guarantee commission

Note 29 Cost of materials consumed

| | (Rs. in lakhs) | |
|--------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Sugar cane | 42,558.77 | 51,513.78 |
| Other | 377.75 | - |
| Total | 42,936.52 | 51,513.78 |

Note 30 Purchase of stock in trade

| | (Rs. in lakhs) | |
|--------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Other | 48.37 | 46.00 |
| Total | 48.37 | 46.00 |



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

| | (Rs. in lakhs) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Finished goods | | |
| Opening stock | | |
| Sugar | 33,947.34 | 30,616.83 |
| Molasses | 1,418.71 | 1,045.65 |
| Bagasse | 1,063.35 | 1,640.50 |
| Industrial alcohol | 527.19 | 533.20 |
| Banked Power | 132.26 | 58.23 |
| Others | 9.21 | 33.38 |
| Total (a) | 37,098.06 | 33,927.79 |
| Less : Closing stock | | |
| Sugar | 31,628.78 | 33,947.34 |
| Molasses | 1,919.35 | 1,418.71 |
| Bagasse | 1,480.28 | 1,063.35 |
| Industrial alcohol | 831.64 | 527.19 |
| Banked Power | 142.47 | 132.26 |
| Others | 19.90 | 9.21 |
| Total (b) | 36,022.42 | 37,098.06 |
| Total (a-b) | 1,075.64 | (3,170.27) |
| Work-in-progress | | |
| Opening stock | 592.90 | 755.88 |
| Less : Closing stock | - | 592.90 |
| | 592.90 | 162.98 |
| Total | 1,668.54 | (3,007.29) |
| (Increase)/Decrease in Inventories | | |

Note 32 Employee benefit expenses

| | (Rs. in lakhs) | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Salary, wages, bonus and other payments | 2,025.06 | 1,841.95 |
| Contribution to provident fund and other funds | 121.44 | 111.55 |
| Workmen and staff welfare expenses | 37.21 | 37.98 |
| Gratuity expense | 9.19 | 39.01 |
| Total | 2,192.90 | 2,030.49 |

Note 33 Finance costs

| | (Rs. in lakhs) | |
|------------------------------|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Interest expenses | | |
| Cash credit | 1,315.71 | 1,010.93 |
| Term loan | 398.67 | 565.78 |
| Others | 38.20 | 4.82 |
| Other borrowing costs | 63.96 | 72.75 |
| Total | 1,816.54 | 1,654.28 |



Note 34 Depreciation and amortisation expenses

| | (Rs. in lakhs) | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Depreciation | | |
| Depreciation of property, plant & equipments | 1,954.98 | 2,014.27 |
| Amortisation | | |
| Amortisation of intangible assets | 3.39 | 1.27 |
| Amortisation of right to use assets | 239.38 | 243.54 |
| Total | 2,196.75 | 2,259.08 |

Note 35 Other Expenses

| | (Rs. in lakhs) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
| Consumption of stores and spare parts | 571.31 | 711.36 |
| Packing materials | 2,216.63 | 1,165.71 |
| Power and fuel | 675.02 | 296.55 |
| Rent | 257.05 | 221.95 |
| Repairs to : | | |
| Buildings | 103.00 | 98.79 |
| Plant & Machinery | 1,755.02 | 1,767.91 |
| Others | 304.27 | 291.40 |
| Insurance | 190.15 | 138.68 |
| Rates and taxes | 575.26 | 335.09 |
| Selling expenses : | | |
| Commission to selling agents | 241.46 | 223.36 |
| Other selling expenses | 1,068.72 | 891.48 |
| Payments to auditors : | | |
| Audit fee (including limited review fee) | 10.50 | 10.50 |
| Tax audit fee | 1.50 | 1.50 |
| Reimbursement of expenses | 1.50 | 1.67 |
| Charity and donation | 30.45 | 2.71 |
| Printing and stationary | 17.56 | 14.85 |
| Communication expenses | 19.00 | 17.34 |
| Travelling expenses | 482.07 | 365.31 |
| Consultancy and legal expenses | 268.22 | 176.49 |
| Directors sitting fees | 6.70 | 4.95 |
| Directors remuneration | 936.72 | 739.76 |
| Miscellaneous expenses | 612.06 | 443.64 |
| CSR expenditure | 86.85 | 89.05 |
| Loss on sale/discard of property, plant and equipment | 158.39 | 109.48 |
| Transfer to storage fund for molasses | 2.84 | 3.03 |
| Provision for doubtful debts and advances | 4.45 | - |
| Balances written off | 7.28 | 7.97 |
| Fair valuation of financial instrument | 254.70 | - |
| Other expenses | 27.43 | 27.04 |
| Total | 10,686.11 | 8,157.57 |



Note 36 :Tax Reconciliation

(Rs. in lakhs)

Income tax expenses :

The major components of income tax expenses for the year ended 31st March, 2025 and 31st March, 2024 are as follows:

(i) Profit or loss section

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------|---------------------------|---------------------------|
| Current tax expense | 1,328.51 | 1,045.00 |
| Tax expense of earlier years | 25.81 | 2.64 |
| Deferred tax expense | (17.60) | 54.29 |
| Total | 1,336.72 | 1,101.93 |

(ii) OCI Section

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Net gain/(loss) on remeasurement of defined benefit plans | (18.91) | (18.84) |
| Unrealised gain/(loss) on FVTOCI equity securities | 0.14 | (4.14) |
| Income tax charged to OCI | 4.73 | 5.57 |
| Total | (14.04) | (17.41) |

Reconciliation of tax expense

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------|---------------------------|---------------------------|
| Current tax | 1,328.51 | 1,045.00 |
| Tax expense of earlier years | 25.81 | 2.64 |
| Deferred tax | (17.60) | 54.29 |
| Total | 1,336.72 | 1,101.93 |

| | | |
|---|-----------------|-----------------|
| Accounting profit before tax from continuing operations | 4,891.81 | 3,911.07 |
| Applicable tax rate (using Company's tax rate) | 25.168% | 25.168% |
| Computed tax expense (A) | 1,231.17 | 984.34 |
| Expenses not allowable for tax purpose | 55.36 | 51.61 |
| Effect of tax deduction | (51.23) | (22.53) |
| Changes in recognized deductible temporary differences | 75.61 | 85.87 |
| Tax expense of earlier years | 25.81 | 2.64 |
| Net adjustment (B) | 105.55 | 117.59 |
| Tax expense (A+B) | 1,336.72 | 1,101.93 |

| | As at 31st March, 2023 | Provided during the year | As at 31st March, 2024 | Provided during the year | As at 31st March, 2025 |
|---|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Deferred tax liability: | | | | | |
| Related to Fixed Assets (Depreciation) | 1,054.49 | 27.57 | 1,082.06 | 23.89 | 1,105.95 |
| Total deferred tax liability (A) | 1,054.49 | 27.57 | 1,082.06 | 23.89 | 1,105.95 |
| Deferred tax assets: | | | | | |
| Expenses allowable on payment basis | 97.03 | 1.63 | 98.66 | 8.53 | 107.19 |
| Other Ind AS adjustments related to Financial Asset/Liabilities (Net) | 224.17 | (22.78) | 201.39 | 37.70 | 239.09 |
| Total deferred tax assets (B) | 321.20 | (21.15) | 300.05 | 46.23 | 346.28 |
| Deferred Tax Liability / (Asset) (Net) (A - B) | 733.29 | 48.72 | 782.01 | (22.34) | 759.67 |



37.1 Financial risk management objectives and policies

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

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

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

Market risk

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

(i) Interest rate risk

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

(ii) Foreign currency risk

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

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

| Foreign currency risk | 31 st March, 2025 | | 31 st March, 2024 | |
|------------------------------------|------------------------------|--------------|------------------------------|--------------|
| | In USD | Rs. in lakhs | In USD | Rs. in lakhs |
| Outstanding Balance from customers | NIL | NIL | NIL | NIL |
| Outstanding Balance of term loan | 21,04,941 | 1784.74 | NIL | NIL |



(iii) Regulatory risk

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

(iv) Commodity price risk

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

Credit risk

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

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

(i) Trade receivables

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

| Description | (Rs. in lakhs) | |
|---------------------|------------------------------|------------------------------|
| | 31 st March, 2025 | 31 st March, 2024 |
| Upto 6 months | 831.29 | 2,485.73 |
| 6 to 12 Months | 0.01 | 435.60 |
| More than 12 months | 23.72 | 27.88 |

The management has made provision for expected credit loss amounting to Rs.16.01 lakhs (Rs.15.94 lakhs) and management is of view that although certain amounts are beyond credit period but they are in fact recoverable and will be received in due course so balance amount is not liable to expected credit loss.

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



| Particulars | (Rs. in lakhs) |
|--|----------------|
| | Amount |
| Balance as at 01 st April, 2024 | 15.94 |
| Provided during the year | 0.07 |
| Reversed during the year | - |
| Balance as at 31 st March, 2025 | 16.01 |

| | |
|--|-------|
| Balance as at 01 st April, 2023 | 15.94 |
| Provided during the year | - |
| Reversed during the year | - |
| Balance as at 31 st March, 2024 | 15.94 |

Liquidity Risk

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

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

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

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

| Liabilities | (Rs. in lakhs) | | | Total |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| | Less than 1 Year | 1 to 5 years | More than 5 years | |
| As at 31st March, 2024 | | | | |
| Term loans | 2,195.75 | 2,805.49 | - | 5,001.24 |
| Loans repayable on demand | 24,111.30 | - | - | 24,111.30 |
| Trade and other payables | 15,460.80 | - | - | 15,460.80 |
| Other financial liabilities | 1,115.23 | 50.21 | 1.23 | 1,166.67 |
| Total | 42,883.08 | 2,855.70 | 1.23 | 45,740.01 |



37.2 Capital Management

(i) Risk Management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2025 and 31st March, 2024:

(Rs. in lakhs)

| Description | Year ended 31 March, 2025 | Year ended 31 March, 2024 |
|---------------------------------|------------------------------|------------------------------|
| Borrowings | 28,185.24 | 29,112.54 |
| Other financial liabilities | 1,171.88 | 1,166.67 |
| Trade and other payables | 8,191.82 | 15,460.80 |
| Less: Cash and cash equivalents | 384.17 | 726.61 |
| Net debts | 37,164.77 | 45,013.40 |
| Equity share capital | 1,840.00 | 1,840.00 |
| Other equity | 32,019.08 | 28,481.17 |
| Total equity | 33,859.08 | 30,321.17 |
| Total equity and net debt | 71,023.85 | 75,334.57 |
| Gearing ratio (%) | 52.33 | 59.75 |

(ii) No dividend has been recommended for the financial year ended 31st March, 2025.



37.3 Earnings per Share

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

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

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

| Particulars | 31 st March,25 | 31 st March,24 |
|--|---------------------------|---------------------------|
| Profit attributable to equity shareholders of the Company: | 3,555.09 | 2,809.14 |
| Profit attributable to equity shareholders for basic earnings | 3,555.09 | 2,809.14 |
| Profit attributable to equity shareholders adjusted for dilution effect | 3,555.09 | 2,809.14 |
| Weighted average number of equity shares used for computing Earnings Per Share (Basic & Diluted) | 9,20,00,170 | 9,20,00,170 |
| Earnings Per Share (Basic & Diluted) | 3.86 | 3.05 |

37.4 Employee benefits

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

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

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| Employers' contribution to provident fund | Rs.121.44 lakhs | Rs.111.55 lakhs |

(ii) Defined benefits plans

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

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



(Rs. in lakhs)

| Description | Gratuity Year ended 31 st March, 2025 (Funded) | Gratuity Year ended 31 st March, 2024 (Funded) | Leave Encashment Year ended 31 st March, 2025 (Non funded) | Leave Encashment Year ended 31 st March, 2024 (Non funded) |
|--|---|---|--|--|
| I. Expenses recognized in the Statement of Profit and Loss | | | | |
| Current service cost | 36.98 | 33.03 | 18.12 | 15.93 |
| Interest cost | 24.93 | 23.79 | 4.34 | 3.56 |
| Past service cost | - | - | - | - |
| Expected return on plan assets | (19.61) | (17.81) | - | - |
| Net expenses recognized in Statement of Profit and Loss | 42.30 | 39.01 | 22.46 | 19.49 |
| II. Other comprehensive (income)/expenses (Re-measurement) | | | | |
| Accumulated (gain)/loss opening balance | 27.29 | 34.78 | 155.79 | 129.46 |
| Actuarial (gain)/loss - obligation | (0.31) | (0.42) | 26.01 | 26.33 |
| Actuarial (gain)/loss - plan assets | (6.79) | (7.07) | - | - |
| Total Actuarial (gain)/loss | (7.10) | (7.49) | 26.01 | 26.33 |
| Actuarial (gain)/loss at the end of the period | 20.19 | 27.29 | 181.80 | 155.79 |
| III. Net liability/(assets) recognized in the balance sheet | | | | |
| Present value of obligations at the end of period | 375.35 | 343.83 | 72.87 | 59.89 |
| Fair value of the plan assets at the end of period | 312.20 | 290.50 | - | - |
| Funded status surplus/(deficit) | (63.15) | (53.33) | (72.87) | (59.89) |
| Net liability/(asset) as at year end | 63.15 | 53.33 | 72.87 | 59.89 |
| IV. Changes in present value of obligations during the year | | | | |
| Present value of obligation at the beginning of the year | 343.83 | 317.20 | 59.89 | 47.45 |
| Current service cost | 36.98 | 33.03 | 18.12 | 15.92 |
| Interest cost | 24.93 | 23.79 | 4.34 | 3.56 |
| Past service cost | - | - | - | - |
| Benefits paid if any | (30.08) | (29.77) | (35.49) | (33.37) |
| Actuarial loss/ (gain) | (0.31) | (0.42) | 26.01 | 26.33 |
| Present value of obligation at the year end | 375.35 | 343.83 | 72.87 | 59.89 |
| V. Changes in fair value of plan assets | | | | |
| Fair value of plan assets at the beginning of period | 290.50 | 245.65 | - | - |
| Expected return on plan assets | 19.61 | 17.81 | - | - |
| Contributions | 25.39 | 49.74 | - | - |
| Benefits paid | (30.08) | (29.77) | - | - |
| Actuarial Gain/(Loss) on plan assets | 6.79 | 7.07 | - | - |
| Fair value of plan assets at the year end | 312.21 | 290.50 | - | - |
| VI. Maturity profile of defined benefit obligation | | | | |
| Within in next 12 months | 27.01 | 46.08 | 29.48 | 22.72 |



| | | | | |
|--|-----------------------|-----------------------|--------------|--------------|
| Between 2 and 5 years | 159.96 | 98.31 | 43.39 | 37.17 |
| 5 years and above | 188.38 | 199.44 | - | - |
| Total expected payments | 375.35 | 343.83 | 72.87 | 59.89 |
| Weighted average duration (based on discounted cash flow) in years | 8 | 8 | - | - |
| Details of plan asset | Gratuity Trust | Gratuity Trust | N/A | N/A |
| SBI Life Kalyan ULIP Plus (V03) | 257.75 | 229.83 | - | - |
| Bank Balance and Others | 54.46 | 60.67 | - | - |

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

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2021 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Present value of Defined Benefit Obligation | 375.35 | 343.83 | 317.20 | 279.48 | 274.61 |
| Fair value of Plan Assets | 312.21 | 290.50 | 245.65 | 256.73 | 250.27 |

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

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

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

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

Actuarial Assumption

| Particulars | Gratuity | Gratuity | Leave Encashment | Leave Encashment |
|--|--------------|---------------|------------------|------------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Discount rate (per annum) | 6.75% | 7.25% | 6.75% | 7.25% |
| Future salary increase(per annum) | 5.00% | 5.00% | 5.00% | 5.00% |
| Retirement/Superannuation Age (Year) | 60 | 60 | 60 | 60 |
| Expected rate of return on plan assets | 0% | 0% | 0% | 0% |
| Mortality | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the



change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Gratuity

| Period | As on: 31/03/2025 |
|--|---|
| Defined Benefit Obligation (Base) | 375.35 lakhs @ Salary Increase Rate : 5%, and discount rate : 6.75% |
| Liability with x% increase in Discount Rate | 3,49,41,641; x=1.00% [Change (7)%] |
| Liability with x% decrease in Discount Rate | 4,05,22,358; x=1.00% [Change 8%] |
| Liability with x% increase in Salary Growth Rate | 4,05,44,781; x=1.00% [Change 8%] |
| Liability with x% decrease in Salary Growth Rate | 3,48,77,856; x=1.00% [Change (7)%] |
| Liability with x% increase in Withdrawal Rate | 3,77,91,327; x=1.00% [Change 1%] |
| Liability with x% decrease in Withdrawal Rate | 3,72,92,950; x=1.00% [Change (1)%] |

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

Leave Encashment

| Period | As on: 31/03/2025 |
|--|---------------------------------|
| Defined Benefit Obligation (Base) | 72.87 lakhs |
| Liability with x% increase in Discount Rate | 68.59 lakhs; x=1% [Change (6%)] |
| Liability with x% decrease in Discount Rate | 77.99 lakhs; x=1% [Change 7%] |
| Liability with x% increase in Salary Growth Rate | 78.03 lakhs; x=1% [Change 7%] |
| Liability with x% decrease in Salary Growth Rate | 68.48 lakhs; x=1% [Change (6%)] |
| Liability with x% increase in Withdrawal Rate | 73.63 lakhs; x=1% [Change 1%] |
| Liability with x% decrease in Withdrawal Rate | 72.12 lakhs; x=1% [Change (1%)] |

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

Contingent liabilities:

| Particulars | (Rs. in lakhs) | |
|--|------------------------------------|------------------------------------|
| | As at 31 st March, 2025 | As at 31 st March, 2024 |
| (i) Claims against the Company not acknowledged as debts in respect of pending cases of employees under Labour laws | 81.24 | 84.37 |
| (ii) Claims against the Company not acknowledged as debts in respect of Criminal and Civil Cases | 25.34 | 25.34 |
| (iii) Bank guarantees given to the Central and State Government and oil manufacturing companies | 120.45 | 183.68 |
| (iv) Corporate guarantee given by the Company for loans sanctioned to Sonar Casting Ltd. State Bank of India (Lead Bank for consortium of banks) | 6866.14 | 6113.96 |
| (v) Income Tax cases under appeal | 690.73 | 690.73 |



| | | |
|--|-------|-------|
| (vi) Penalty levied by Competition Commission of India and Commissioner Excise, UP | 19.39 | 50.23 |
|--|-------|-------|

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

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

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

Capital Commitments

| Particulars | (Rs. in lakhs) | |
|--|----------------------|----------------------|
| | As at 31 March, 2025 | As at 31 March, 2024 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 1,442.29 | 398.90 |
| Less: Advances paid against above | 239.90 | 75.73 |
| Net Amount | 1,202.39 | 323.17 |

37.6 Leases

Company as lessor

The Company has given certain portion of factory premises on cancellable operating lease. The rent received on the same has been grouped under other income. The rent received during the year is Rs.6.62 lakhs (previous year Rs.5.84 lakhs).

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

As at 31st March, 2025

(Rs. in lakhs)

| S. No. | Particulars | Trade payable | Payable to supplier of capital goods | Total |
|--------|--|---------------|--------------------------------------|--------|
| (a) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | | |
| | Principal amount due to micro and small enterprises | 143.71 | 27.18 | 170.89 |
| | Interest due on above | 4.48 | - | 4.48 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the | - | - | - |



| | | | | |
|-----|--|------|---|------|
| | payment made to the supplier beyond the appointed day during each accounting year | | | |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | - | - | - |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 4.48 | - | 4.48 |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - | - |

As at 31st March, 2024

(Rs. in lakhs)

| S.No. | Particulars | Trade payable | Payable to supplier of capital goods | Total |
|-------|--|---------------|--------------------------------------|--------|
| (a) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | | |
| | Principal amount due to micro and small enterprises | 233.86 | 45.61 | 279.47 |
| | Interest due on above | 0.01 | - | 0.01 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | - | - | - |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 0.01 | - | 0.01 |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure | - | - | - |



37.B Related Party Disclosures: -

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

- I. Subsidiaries where control exist
KM Spirits and Allied Industries Ltd.
- II. Related Parties with whom there were transactions during the year:
 - a) Related party where control exist:
 - Shri L. K. Jhunjhunwala -Chairman
 - Shri Aditya Jhunjhunwala -Managing Director
 - Shri Sanjay Jhunjhunwala -Joint Managing Director
 - b) Details of the related parties:
 - i. Key Management Personnel (Group A)
 - Shri L. K. Jhunjhunwala -Chairman
 - Shri Aditya Jhunjhunwala -Managing Director
 - Shri Sanjay Jhunjhunwala -Joint Managing Director
 - Shri S. C. Agarwal -Executive Director
 - Ms. Pooja Dua -Company Secretary
 - Shri Arvind Kumar Gupta -Chief Financial Officer
 - Mrs. Madhu Mathur* -Independent Director
 - Shri S. K. Gupta* -Independent Director
 - Shri Sushil Solomon -Independent Director
 - Shri Bibhash Kumar Srivastava -Independent Director
 - Dr. Bakshi Ram -Independent Director
 - Mrs. Archana Agrawal** -Independent Director
 - Shri Narendra Mohan*** -Independent Director
 - ii. Relatives of Key Management Personnel (Group B)
 - Smt. Naina Jhunjhunwala (Wife of Shri L.K. Jhunjhunwala)
 - Shri Vatsal Jhunjhunwala (Son of Shri Aditya Jhunjhunwala)
 - Ms. Palak Jhunjhunwala (Daughter of Shri Sanjay Jhunjhunwala)
 - iii. Enterprises/ Parties over which Key management personnel or their relatives have substantial interest/ significant influence (Group C)
 - Benares Inorganics Pvt. Ltd.
 - Brahma Properties Pvt. Ltd.
 - Francoise Commerce Pvt. Ltd.
 - H H Foundation
 - Indian Sugar Exim Corporation Ltd.
 - K M Energy Pvt. Ltd.
 - K M Vyapar Ltd.
 - K M Strategic Investments and Holdings Pvt. Ltd.
 - K M Particle Boards Pvt. Ltd.
 - Marvel Business Pvt. Ltd.
 - Promising Logistics Pvt. Ltd.
 - Shri Shakti Credits Ltd.
 - Sonar Casting Ltd.



- Shri Laxmi Public Charitable Trust
 - Zar International Pvt. Ltd.
- c) Transactions with the related parties:

(Rs. in lakhs)

| Sl. no. | Nature of transaction/ Name of the related party | Subsidiary 2024-25 (2023-24) | Key Managerial Personnel (KMP) 2024-25 (2023-24) | Enterprises over which KMP and their relatives have substantial interest/significant influence 2024-25 (2023-24) | Total 2024-25 (2023-24) |
|---------|---|------------------------------------|---|--|-------------------------------|
| i. | Investment made | | | | |
| | Sonar Casting Ltd. | - (-) | - (-) | 375.00(1295.00) | 375.00 (1250.00) |
| ii. | Remuneration including commission and PF | | | | |
| | Shri L. K. Jhunjhunwala | - (-) | 333.60 (250.92) | - (-) | 333.60 (250.92) |
| | Shri Aditya Jhunjhunwala | - (-) | 356.10 (274.33) | - (-) | 356.10 (274.33) |
| | Shri Sanjay Jhunjhunwala | - (-) | 199.67 (168.90) | - (-) | 199.67 (168.90) |
| | Shri S. C. Agarwal | - (-) | 60.88 (54.11) | - (-) | 60.88 (54.11) |
| | Shri Vatsal Jhunjhunwala | - (-) | - (-) | 25.33 (24.00) | 25.33 (24.00) |
| | Ms. Palak Jhunjhunwala | - (-) | - (-) | 4.80 (4.80) | 4.80 (4.80) |
| | Shri Arvind Kumar Gupta | - (-) | 23.53 (22.66) | - (-) | 23.53 (22.66) |
| | Ms. Pooja Dua | - (-) | 7.72 (7.07) | - (-) | 7.72 (7.07) |
| iii. | Education fee paid | | | | |
| | Ms. Palak Jhunjhunwala | - (-) | - (-) | 78.21 (76.42) | 78.21 (76.42) |
| iv. | Rent paid | | | | |
| | Sri Shakti Credits Ltd. | - (-) | - (-) | 3.00 (3.00) | 3.00 (3.00) |
| | Zar International Pvt. Ltd. | - (-) | - (-) | 1.14 (1.14) | 1.14 (1.14) |
| | K M Vyapar Ltd. | - (-) | - (-) | 154.02 (160.02) | 154.02 (160.02) |
| | Marvel Business Pvt.Ltd. | - (-) | - (-) | 7.20 (7.20) | 7.20 (7.20) |
| | Brahma Properties Pvt. Ltd. | - (-) | - (-) | 6.00 (6.00) | 6.00 (6.00) |
| v. | Purchase of goods | | | | |
| | Brahma Properties Pvt. Ltd. | - (-) | - (-) | 189.73 (-) | 189.73 (-) |
| | K M Particle Boards Pvt. Ltd. | - (-) | - (-) | 1.80 (-) | 1.80 (-) |
| vi. | Loans given | | | | |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (-) | 750.00 (705.00) | 750.00 (705.00) |
| | Sonar Casting Ltd. | - (-) | - (-) | 325.00 (-) | 325.00 (-) |
| vii. | Loans received back | | | | |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (-) | 1070.00 (285.00) | 1070.00 (285.00) |
| | Sonar Casting Ltd. | - (-) | - (-) | 325.00 (-) | 325.00 (-) |
| viii. | Sitting fees paid | | | | |
| | Smt. Madhu Mathur* | - (-) | 0.70 (0.90) | - (-) | 0.70 (0.90) |
| | Shri S. K. Gupta* | - (-) | 0.75 (1.45) | - (-) | 0.75 (1.45) |
| | Shri Bibhash Kumar Srivastava | - (-) | 1.20 (1.00) | - (-) | 1.20 (1.00) |
| | Shri Sushil Solomon | - (-) | 1.35 (1.20) | - (-) | 1.35 (1.20) |
| | Dr. Bakshi Ram | - (-) | 1.35 (0.40) | - (-) | 1.35 (0.40) |
| | Mrs. Archana Agrawal** | - (-) | 0.75 (-) | - (-) | 0.75 (-) |
| | Shri Narendra Mohan*** | - (-) | 0.60 (-) | - (-) | 0.60 (-) |
| ix. | Sale of goods | | | | |
| | K M Particle Boards Pvt. Ltd. | - (-) | - (-) | 1786.00 (1028.66) | 1786.00 (1028.66) |
| | Francoise Commerce Pvt. Ltd. | - (-) | - (-) | 4285.00 (1354.90) | 4285.00 (1354.90) |
| x. | CSIT paid | | | | |
| | Shri Laxmi Public Charitable Trust | - (-) | - (-) | - (120.00) | - (120.00) |



| | | | | | |
|-------|---|-------------|-----------------|-------------------|-------------------|
| | H H Foundation | - (-) | - (-) | 20.00 (-) | 20.00 (-) |
| xI. | Corporate guarantee charges received | | | | |
| | Sonar Casting Ltd. | - (-) | - (-) | 0.05 (-) | 0.05 (-) |
| xII. | Lease land rent received | | | | |
| | K M Particle Boards Pvt. Ltd. | - (-) | - (-) | 0.60 (-) | 0.60 (-) |
| xIII. | Preference share redemption received | | | | |
| | K.M Energy Pvt. Limited | - (-) | - (-) | 338.92 (-) | 338.92 (-) |
| xIV. | Sale of held Preference share | | | | |
| | Promising Logistics Pvt. Ltd. | - (-) | - (-) | 385.00 (-) | 385.00 (-) |
| xV. | Interest received | | | | |
| | Sonar Casting Ltd. | - (-) | - (-) | 97.74 (88.84) | 97.74 (88.84) |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (-) | 231.82 (259.51) | 231.82 (259.51) |
| xVI. | Balance outstanding | | | | |
| | a. Amount payable | | | | |
| | Shri L. K Jhunjhunwala | - (-) | 111.13 (176.18) | - (-) | 111.13 (176.18) |
| | Shri Aditya Jhunjhunwala | - (-) | 76.30 (46.54) | - (-) | 76.30 (46.54) |
| | Shri Sanjay Jhunjhunwala | - (-) | 70.92 (27.36) | - (-) | 70.92 (27.36) |
| | Shri S. C. Agarwal | - (-) | 2.14 (2.25) | - (-) | 2.14 (2.25) |
| | Shri Vatsal Jhunjhunwala | - (-) | - (-) | 2.05 (1.62) | 2.05 (1.62) |
| | Sri Shakti Credits Ltd. | - (-) | - (-) | 0.81 (3.11) | 0.81 (3.11) |
| | K M Vyapar Ltd. | - (-) | - (-) | 14.81 (14.81) | 14.81 (14.81) |
| | Zar International Pvt. Ltd. | - (-) | - (-) | 2.28 (2.28) | 2.28 (2.28) |
| | Brahma Properties Pvt. Ltd. | - (-) | - (-) | 77.99 (5.40) | 77.99 (5.40) |
| | Marvel Business Pvt. Ltd. | - (-) | - (-) | 6.05 (5.48) | 6.05 (5.48) |
| | b. Amount receivable | | | | |
| | Loan | | | | |
| | Sonar Casting Ltd. | - (-) | - (-) | 875.00 (875.00) | 875.00 (875.00) |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (-) | 550.00 (870.00) | 550.00 (870.00) |
| | Interest | | | | |
| | Sonar Casting Ltd. | - (-) | - (-) | 249.25 (162.61) | 249.25 (162.61) |
| | K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (-) | - (118.91) | - (118.91) |
| | Sale of goods | | | | |
| | K M Particle Boards Pvt. Ltd. | - (-) | - (-) | 0.57 (801.34) | 0.57 (801.34) |
| | Francoise Commerce Pvt. Ltd. | - (-) | - (-) | - (1424.08) | - (1424.08) |
| | c. Corporate guarantee given by the company for loan sanctioned/availed by | | | | |
| | Sonar Casting Limited | - (-) | - (-) | 6866.14 (6113.96) | 6866.14 (6113.96) |
| | d. Investment Held (Cost) | | | | |
| | Equity share in K M Spirits and Allied Industries Ltd. | 5.00 (5.00) | - (-) | - (-) | 5.00 (5.00) |
| | Equity share in Sonar Casting Limited | - (-) | - (-) | 109.00 (109.00) | 109.00 (109.00) |
| | Equity share in HH Foundation | - (-) | - (-) | 0.20 (0.20) | 0.20 (0.20) |
| | Preference share in Sonar Casting Limited | | | 4960.00 (4585.00) | 4960.00 (4585.00) |
| | Preference share in K.M Energy Pvt. Limited | - (-) | - (-) | - (338.92) | - (338.92) |
| | Preference share in Brahma Properties Pvt. Limited | - (-) | - (-) | - (385.00) | - (385.00) |
| | QPCD in K M Strategic Investments and Holdings Pvt. Ltd. | - (-) | - (-) | 2350.00 (2350.00) | 2350.00 (2350.00) |



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

* Ceased to be director on 21.08.2024 upon completion of tenure

** Appointed w.e.f. 21.05.2024

*** Appointed w.e.f. 29.06.2024

#Directors Remuneration

(Rs. in lakhs)

| S. No. | Particulars | Chairman | Managing Director | Joint. Managing Director | Executive Director | Total |
|--------|--------------------------------|----------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
| 1 | Salary | 180.00 (150.00) | 180.00 (150.00) | 180.00 (150.00) | 54.00 (48.00) | 594.00 (498.00) |
| 2 | Commission | 150.00 (100.00) | 150.00 (100.00) | - (-) | - (-) | 300.00 (200.00) |
| 3 | Contribution to Provident Fund | - (-) | 19.50 (18.00) | 19.50 (18.00) | 6.06 (5.76) | 45.06 (47.76) |
| 4 | Perquisites: | | | | | |
| | (i) Residence | - (-) | 3.60 (7.20) | - (-) | 4.11 (3.62) | 7.71 (10.82) |
| | (ii) Medical reimbursement | 3.57 (0.92) | 6.58 (6.33) | 0.18 (0.90) | 0.82 (0.35) | 11.15 (8.50) |
| | (iii) Other benefits | 0.79 (0.79) | 13.13 (19.36) | 0.79 (0.79) | 0.62 (0.70) | 15.33 (21.64) |
| | Total | 334.36 (251.71) | 372.81 (300.89) | 200.47 (169.69) | 65.61 (58.43) | 973.25 (780.72) |

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

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

Transactions with Related Parties are made on the terms equivalent to those that prevail in arm's length transactions.

The remuneration to the Key Managerial Personnels are in line with the service rules of the Company.

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

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

The company has identified three primary business segments viz. Sugar and Distillery. Segments have been identified and reported taking into account the nature of products, the differing risks and returns, the organizational structure and internal business reporting system as defined in Ind AS 10B – Operating Segments.

(Rs. in lakhs)

| Particulars | Sugar | Distillery | Unallocable | Total |
|---------------------------|--------------------------|------------------------|-------------|--------------------------|
| Revenue | | | | |
| Gross sales | 59,490.46 (61,296.03) | 9,120.75 (7,592.70) | - (-) | 68,611.21 (68,888.73) |
| Less: Inter segment sales | 2,710.69 (3,172.80) | - (-) | - (-) | 2,710.69 (3,172.80) |
| External sales | 56,779.77 | 9,120.75 | - | 65,900.52 |



| | | | | |
|-------------------------------|-------------|------------|----------|-------------|
| | (58,123.23) | (7,592.70) | (-) | (65,715.93) |
| Add: Other income | 627.47 | 109.55 | - | 737.02 |
| | (790.98) | (58.07) | (-) | (849.05) |
| Total revenue | 57,407.24 | 9,230.30 | - | 66,637.54 |
| | (58,914.21) | (7,650.77) | (-) | (66,564.98) |
| Segment results | 6,485.79 | 222.56 | - | 6,708.35 |
| | (4,824.63) | (740.72) | (-) | (5,565.35) |
| Less: Finance cost | 1,791.48 | 25.06 | - | 1,816.54 |
| | (1,631.25) | (23.03) | (-) | (1,654.28) |
| Profit before tax | 4,694.31 | 197.50 | - | 4,891.81 |
| | (3,193.38) | (717.69) | (-) | (3,911.07) |
| Current tax | | | | 1,354.32 |
| | | | | (1,047.64) |
| Deferred tax | | | | -17.60 |
| | | | | (54.29) |
| Profit after tax | | | | 3,555.09 |
| | | | | (2,809.14) |
| Other information | | | | |
| Segment assets | 64,629.06 | 8,359.32 | - | 72,988.38 |
| | (70,430.74) | (7,491.85) | (-) | (77,922.59) |
| Segment liabilities | 36,389.16 | 1,980.44 | 759.67 | 39,129.30 |
| | (45,292.52) | (1,526.89) | (782.01) | (47,601.42) |
| Capital Expenditure | 841.07 | 696.15 | - | 1,537.22 |
| | (1,889.12) | (694.59) | (-) | (2,583.71) |
| Depreciation and amortisation | 1,629.99 | 566.76 | - | 2,196.75 |
| | (1,708.17) | (550.91) | (-) | (2,259.08) |

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

Inter-segment revenues are eliminated upon consolidation and reflected in the Inter-segment sales column. Current taxes and deferred taxes are not allocated to individual segments as the same are dealt with at company level.

The transactions between segments are primarily for materials which are transferred at market determined prices. Common costs are apportioned on a reasonable basis.

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

37.10 Fair value

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

| Description | (Rs. in lakhs) | | | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Carrying value | | Fair value | |
| | As at 31 st March, 2025 | As at 31 st March, 2024 | As at 31 st March, 2025 | As at 31 st March, 2024 |
| Financial assets | | | | |
| FVOCI financial instruments: | | | | |
| Unquoted equity shares | 5.23 | 5.10 | 5.23 | 5.10 |
| Fair Value through Statement of Profit & Loss | | | | |
| Investment in Preference Shares | 4,709.33 | 5,236.03 | 4,709.33 | 5,236.03 |
| Investment in OFCD | 2,350.00 | 2,350.00 | 2,350.00 | 2,350.00 |



| | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| Corporate guarantee | 51.44 | 72.72 | 51.44 | 72.72 |
| Fair value of assets through Other Comprehensive Income | | | | |
| Free hold Land | 951.05 | 930.78 | 951.05 | 930.78 |
| Total | 8,067.05 | 8,594.63 | 8,067.05 | 8,594.63 |

(Rs. in lakhs)

| Description | Carrying value | | Fair Value | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2025 | As at 31 st March, 2024 | As at 31 st March, 2025 | As at 31 st March, 2024 |
| Financial liabilities at amortized cost through statement of profit and loss | | | | |
| Loan taken from Bank, Government and others | | | | |
| Fixed rate borrowings | - | 237.69 | - | 237.69 |
| Floating rate borrowings | 3,849.19 | 4,763.55 | 3,849.19 | 4,763.55 |
| Total | 3,849.19 | 5,001.24 | 3,849.19 | 5,001.24 |

Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2025:

| Description | Date of valuation | Fair value measurement using | | |
|-------------------------------|------------------------------|--|--|--|
| | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Assets measured at fair value | | | | |
| FVOCI financial instruments: | | | | |
| Unquoted equity shares | 31 st March, 2025 | - | - | Yes |
| Preference Share | 31 st March, 2025 | - | - | Yes |

37.11 Government Grant :

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

| Description | Amount in lakhs | Year to which relates | Treatment in accounts |
|--|-----------------|-----------------------|-----------------------|
| Revenue related to Government Grant | | | |
| Financial Assistance from the State Government | Nil | 2024-25 | Nil |



| Deferred Government Grant | | | |
|--|-----|---------|--|
| Deferred income relating to term loans on concessional rate (difference between actual loan and its present value has been considered Deferred Government Grant) | Nil | 2024-25 | A sum of Rs.29.48 lakhs considered for part of the year as government grant under Note-28. Deferred Income considered as Government grant over the period of 5 years being the tenure of loan. |

37.12 Expenditure incurred on corporate social responsibilities (CSR)

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

A. Statement of CSR Obligation

(Rs. in lakhs)

| Sl. no. | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---------|---|---------------------------|---------------------------|
| a) | Average net profits of the Company as per Section 135(5) | 4,250.49 | 4,058.15 |
| b) | Two percent of the average net profits of the Company as per Section 135(5) | 85.01 | 81.16 |
| c) | Amount approved by the Board for CSR during the Year | 86.85 | 89.05 |
| d) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil | Nil |
| e) | Amount required to be set off for the financial year, if any | 86.85 | 89.05 |
| f) | Total CSR obligation for the financial year [(c)+(d)-(e)] | Nil | Nil |

B. Statement of CSR Expenditure (Rs. in lakhs)

| Sl. no. | Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---------|--|---------------------------|---------------------------|
| a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) | | |
| | - For contribution in hospital construction and asset | - | 120.00 |
| | - For cultural and rural development etc. | 2.35 | 0.24 |
| | - Preventive health care and sanitation | 20.00 | 0.51 |
| | - For contribution towards schools to promote education | 9.50 | 8.30 |
| | Total | 31.85 | 129.05 |
| b) | Amount spent in Administrative Overheads | Nil | Nil |
| c) | Amount spent on Impact Assessment, if applicable | Nil | Nil |
| d) | Total amount spent for the Financial Year [(a)+(b)+(c)] | 31.85 | 129.05 |
| e) | Total CSR obligation for the financial year | Nil | Nil |
| f) | Excess CSR Expenditure available for Carry Forward | 31.50 | 129.05 |



C. Statement of Carry Forward

(Rs. in lakhs)

| Sl. no. | Particulars | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---------|---|------------|------------|------------|------------|
| a) | Excess CSR Expenditure carried forward | 109.00 | 70.00 | 129.05 | 31.50 |
| b) | Set off during the Financial year 2023-24 | 89.05 | Nil | Nil | Nil |
| c) | Set off during the Financial year 2024-25 | 19.95 | 66.55 | Nil | Nil |
| d) | Balance to be Carried Forward | Nil | *3.45 | #129.05 | ^31.50 |
| e) | Total amount Carried Forwarded | | | | 164.00 |

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

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

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

37.13 In view of the decision of Hon'ble Supreme Court, extra price and excise duty realized on levy sugar in earlier years amounting to Rs.67.11 lakhs for funding under the Sugar Price Equalization Fund Act, 1976 was transferred to Sugar Price Equalization Reserve Account. Later on as per the order dated 22.09.1993 of Hon'ble Supreme Court, a sum of Rs.17.90 lakhs was paid to the Government out of bank guarantee furnished by the Company and further, during the year 1998-99 a sum of Rs.1.00 lakhs were paid towards Excise Duty on the above. The Company has further made a payment of Rs.35.81 lakhs during the year 2005-06 to the Government of India against the bank guarantee furnished by it along with interest of Rs.118.25 lakhs thereon. Still a sum of Rs.12.40 lakhs is lying in the Sugar Price Equalization Reserve as on 31st March, 2025 shown under Note 17 of "Other equity".

37.14 Certain balances in account of trade receivables, advances, deposit accounts and trade payables are subject to reconciliation and confirmation by the respective parties. The management reviewed these advances from time to time, the required provisions have been considered in the accounts. The management is of the view that the realization from these assets in the ordinary course of business would not be less than the amount at which they are stated in the books of account.

37.15 Other non-current liabilities (Note No.20) includes a loan from U.P. Government amounting to Rs.14.50 lakhs. The issue relating to interest payable thereon is under dispute and the matter is sub-judice before the Hon'ble Allahabad High Court. However, as per the interim order of the Court, a fixed deposit of Rs.14.50 lakhs has been kept with the District Magistrate, Ayodhya. In opinion of the management, the amount of interest accrued on this fixed deposit is adequate to meet the interest obligation liability of the Company on the said loan and therefore, no interest is being provided for in these financial statements.

37.16 As per Bihar State Government directions, the operations of country liquor bottling unit remain discontinued during the year. However, the plant and machinery of that unit was moved in earlier years to the Distillery Unit for manufacturing of country liquor. Thus, depreciation on



building due to obsolescence has been provided in earlier years and the written down value as on 31st March, 2025 is Rs.0.37 lakhs.

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

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

37.19 The management is of the view that dividend payment is most probable to receive from the investments in the preference shares of Sonar Casting Ltd. considering dividend at 12.50% and this fact has been taken into account while determining the fair value of the investment. However, no dividend received on the investment since amount invested.

37.20 The Central Government pursuant to Notification No. 1(1)/2025-SP dated 20th January, 2025 issued by the Hon'ble Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) has notified sugar mill wise export quantity of sugar for export in sugar season 2024-25 in order to prevent uncontrolled export of sugar and with a view to ensure sufficient availability of sugar for domestic consumption at a reasonable price. The notification also provides facility to export sugar themselves or through merchant exporter or exchange their export quota with domestic quota of any other sugar mill.

Pursuant to above notification, the Company has sold its export quota for exchange with domestic quota of another sugar mill. The amount received on sale of export quota of Rs.253.68 lakhs (Previous year Rs. Nil) has been shown as line item "Export quota sale receipt" under Revenue from operations.

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

| Description | (Rs. Inlakhs) | | | |
|------------------------------------|------------------------|-----------|------------------------|-----------|
| | 31st March, 2025 | | 31st March, 2024 | |
| | % of total consumption | Amount | % of total consumption | Amount |
| Raw Materials | | | | |
| Imported | - | - | - | - |
| Indigenous | 100% | 42,936.52 | 100% | 51,513.78 |
| Stores and packing material | | | | |
| Imported | - | - | - | - |
| Indigenous | 100% | 2,787.94 | 100% | 1,877.07 |

37.22 Income in foreign currency on account of:

(Rs. in lakhs)

| Description | 31st March, 2025 | 31st March, 2024 |
|-------------|------------------|------------------|
| Export sale | - | - |



37.23 Expenditure in foreign currency on account of:

| Description | (Rs. in lakhs) | |
|-------------|------------------|------------------|
| | 31st March, 2025 | 31st March, 2024 |
| Travelling | 138.80 | 30.60 |
| Others | 85.79 | 82.88 |

37.24 The company has taken SBI SEFASU Loan from Government amounting to Rs.4775.94 lakhs bearing 5% interest rate. Fair value of loan has been determined using discount rate 10.50% as the bank's fund is available at this rate and difference between actual amount and present value is amortised over the loan tenure and same has been considered as deferred government grant.

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

37.26 Components of Other Comprehensive Income

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

(Rs. in lakhs)

| Description | Comprehensive Income (Net of Tax) | |
|---|---|---|
| | Year ended 31 st March, 2025 | Year ended 31 st March, 2024 |
| Gain/(loss) on equity instruments | 0.11 | (3.31) |
| Re-measurement gain/(loss) on defined benefit plans | (14.15) | (14.10) |
| Total | (14.04) | (17.41) |

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

For the year ended 31st March, 2025

(Rs. in lakhs)

| Particulars | Amount in CWIP for period of | | | | Total |
|--------------------------------------|------------------------------|----------|----------|------------------|--------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Plant and machinery in progress | - | - | - | - | - |
| Building work | 71.42 | 263.39 | 399.18 | 4.54 | 738.53 |
| Building work temporarily suspended* | - | - | - | 10.08 | 10.08 |
| Total | 71.42 | 263.39 | 399.18 | 14.62 | 748.61 |

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

For the year ended 31st March, 2024

(Rs. in lakhs)

| Particulars | Amount in CWIP for period of | | | | Total |
|---------------------------------|------------------------------|----------|----------|------------------|--------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| Plant and machinery in progress | 482.91 | 4.03 | 5.41 | - | 492.35 |
| Building work | 269.36 | 399.18 | 4.54 | - | 673.08 |



| | | | | | |
|--------------------------------------|--------|--------|------|-------|----------|
| Building work temporarily suspended* | - | - | - | 10.08 | 10.08 |
| Total | 752.27 | 403.21 | 9.95 | 10.08 | 1,175.51 |

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

37.28 Trade receivable ageing schedule

For the year ended 31st March, 2025

(Rs. in lakhs)

| Particulars | Unbilled revenue* | Not due | Outstanding from due date of payment | | | | | Total |
|---|-------------------|---------------|--------------------------------------|--------------------|-------------|-------------|------------------|---------------|
| | | | Less than 6 months | 6 months to 1 year | 1 -2 year | 2- 3 year | More than 3 year | |
| Undisputed Trade receivables - considered good | 135.70 | 362.04 | 333.54 | 0.01 | 4.91 | 1.86 | 0.95 | 839.01 |
| Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Undisputed Trade receivables - credit Impaired | - | - | - | - | 0.07 | - | 0.03 | 0.10 |
| Disputed Trade receivables - credit Impaired | - | - | - | - | - | - | 15.91 | 15.91 |
| Total | 135.70 | 362.04 | 333.54 | 0.01 | 4.98 | 1.86 | 16.89 | 855.02 |

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

For the year ended 31st March, 2024

(Rs. in lakhs)

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

8



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

37.29 Trade payable ageing schedule

For the year ended 31st March, 2025

| Particulars | Not due | Outstanding from due date of payment | | | | Total |
|----------------------|-------------|--------------------------------------|--------------|--------------|------------------|-----------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | |
| MSME | 6.55 | 119.27 | - | - | - | 125.82 |
| Others | - | 7,865.01 | 64.98 | 13.63 | 16.36 | 7,959.98 |
| Disputed dues-MSME | - | 21.80 | - | - | 0.57 | 22.37 |
| Disputed dues-Others | - | - | - | - | 8.10 | 8.10 |
| Total | 6.55 | 8,006.08 | 64.98 | 13.63 | 25.03 | 8,116.27 |

For the year ended 31st March, 2024

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

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

Equity Shares held by promoters as at 31st March, 2025 and 31st March, 2024

| Promoter Name | 31 st March, 2025 | | | 31 st March, 2024 | | |
|----------------------------------|------------------------------|-------------------|--------------------------|------------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| Promoters | | | | | | |
| Lakshmi Kant Jhunjunwala | 1,43,02,600 | 15.55% | - | 1,43,02,600 | 15.55% | - |
| Lakshmi Kant Dwarkadas HUF | 1,00,65,900 | 10.94% | - | 1,00,65,900 | 10.94% | - |
| Aditya Jhunjunwala | 52,89,242 | 5.75% | - | 52,89,242 | 5.75% | - |
| Sanjay Jhunjunwala | 24,94,600 | 2.71% | - | 24,94,600 | 2.71% | - |
| Promoter group | | | | | | |
| Naina Jhunjunwala | 41,80,748 | 4.54% | - | 41,80,748 | 4.54% | - |
| Vatsal Jhunjunwala | 4,99,721 | 0.54% | - | 4,99,721 | 0.54% | - |
| Vridhi Trust | 1,88,780 | 0.21% | - | 1,88,780 | 0.21% | - |
| Shivam Shorewala | 1,20,549 | 0.13% | - | 1,20,549 | 0.13% | - |
| Marvel Business Private Ltd. | 1,20,65,975 | 13.12% | - | 1,20,65,975 | 13.12% | - |
| K M Vyapar Ltd. | 22,83,364 | 2.48% | - | 22,83,364 | 2.48% | - |
| Jhunjunwala Securities Pvt. Ltd. | 5,00,000 | 0.54% | - | 5,00,000 | 0.54% | - |



| | | | | | | |
|------------------------------|----|---|---|----|---|---|
| Francoise Commerce Pvt. Ltd. | 20 | . | . | 20 | . | . |
|------------------------------|----|---|---|----|---|---|

37.31 Loans to promoter, director and related parties etc.

For the year ended 31st March, 2025

| (Rs. in lakhs) | | |
|---------------------------|----------------------------|-----------------|
| Type of borrower | Amount of loan outstanding | % of total loan |
| Loan to promoter/director | - | - |
| Loan to KMPs | - | - |
| Loan to related party | 1,674.25 | 100% |

For the year ended 31st March, 2024

| (Rs. in lakhs) | | |
|---------------------------|----------------------------|-----------------|
| Type of borrower | Amount of loan outstanding | % of total loan |
| Loan to promoter/director | - | - |
| Loan to KMPs | - | - |
| Loan to related party | 1,907.61 | 100% |

37.32 Financial ratios

The following are analytical ratios for the year ended 31st March, 2025 and 31st March, 2024

| Particulars | Numerator | Denominator | 31st March, 2025 | 31st March, 2024 | Change |
|----------------------------------|-------------------------------------|---------------------------|------------------|------------------|----------|
| Current Ratio | Current assets | Current liabilities | 1.12 | 1.02 | 9.80% |
| Debt-Equity Ratio | Total Debt (Note 1) | Total Equity | 0.83 | 0.96 | -13.54% |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service (Note 2) | 1.91 | 1.58 | 20.89% |
| Return on Equity Ratio | Profit for the year | Average Total Equity | 11.08 | 9.71 | 14.11% |
| Inventory turnover ratio | Revenue from Operations | Average Inventory | 1.80 | 1.85 | -2.70% |
| Trade Receivables turnover ratio | Revenue from Operations | Average Trade Receivable | 34.94 | 37.16 | -5.97% |
| Trade payables turnover ratio | Purchases and Other Services | Average Trade Payables | 3.93 | 3.86 | 1.81% |
| Net capital turnover ratio | Revenue from Operations | Working Capital | 15.78 | 69.39 | -77.26%* |
| Net profit ratio | Profit for the year | Revenue from Operations | 5.39% | 4.27% | 112bps^ |
| Return on Capital employed | EBIT (Note 3) | Capital Employed (Note 4) | 17.79% | 15.76% | 203bps |
| Return on investment | Profit for the year | Average Total Assets | 4.71% | 3.79% | 92bps |

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

^ Increase in net profit with increased margin

Note 1: Debt includes lease liabilities

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



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

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

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

For the year ended 31st March, 2025

(Rs. in lakhs)

| Quarter ending | Value as per books of accounts | Value as per quarterly statement submitted with lenders | Difference | Reasons for difference |
|--------------------|--------------------------------|---|------------|--|
| June 30, 2024 | 31,326.13 | 30,188.90 | 1,137.23 | The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also because of exclusion of certain current assets in the statements filed with the lenders. |
| September 30, 2024 | 18,601.23 | 17,012.91 | 1,588.32 | |
| December 31, 2024 | 21,800.65 | 16,639.16 | 5,161.49 | |
| March 31, 2025 | 37,559.56 | 37,056.50 | 503.06 | |

For the year ended 31st March, 2024

(Rs. in lakhs)

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

37.34 Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company.
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(Intermediaries) with the understanding that the Intermediary shall:

S



- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii. The Company has not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

37.35 Events occurring after the balance sheet date:

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

37.36 Figures in brackets pertain to previous year.

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

For Mehrotra & Mehrotra

Chartered Accountants

F.R. No 0226C




C.A. Sanjay K. Rai
Partner
M.No. 507946




For and on behalf of Board of Directors




S. C. Agarwal
Executive Director
DIN-02461954



Aditya Hunjunwala
Managing Director
DIN-01686189



A K Gupta
Chief Financial Officer



Pooja Dua
Company Secretary

Place: Lucknow
Date: 26th May, 2025





50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-3562561

INDEPENDENT AUDITOR'S REPORT

To the Members of **K M SPIRITS AND ALLIED INDSTRIES LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone IndAS financial statements of **K M SPIRITS AND ALLIED INDSTRIES LIMITED**, which comprise the Balance Sheet as at March 31,2025, the Statement of Profit and Loss, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone 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 accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules,2015,as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IndAS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IndAS 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 standalone 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 March 31,2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31,2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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 does not have any pending litigations on its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Saurabh Gupta & Co.

Chartered Accountants

ICAI Firm Registration Number: 010542C

Saurabh Gupta

Proprietor

M.No: 400057

UDIN:

Date: 05 May, 2025

Place: Lucknow



Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: K M SPIRITS AND ALLIED INDSTRIES LIMITED ('the company')

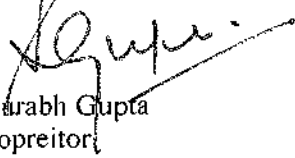
- (i) (a) The Company does not have any fixed assets as on date.
- (ii) The Company's business does not have any inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company had not granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the company. There are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) (a) The Company does not have any pending undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to sales-tax, duty of custom and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income tax, service tax, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, value added tax, goods and service tax and cess which have not been deposited on account of any dispute. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.
- (vii) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (viii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

According to the information and explanations given by the management, no 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 Companies Act, 2013.



- (x) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xi) According to the information and explanations given by the management, there was no transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.
- (xii) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xiii) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act,2013.
- (xiv) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Saurabh Gupta & Co.
Chartered Accountants
ICAI Firm Registration Number: 010542C


Saurabh Gupta
Proprietor
Membership Number: 400057
UDIN:
Date: . . . May,2025
Place: Lucknow.



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF K M SPIRITS AND ALLIED INDUTRIES LIMITED

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 SPIRITS AND ALLIED INDUTRIES LIMITED** ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



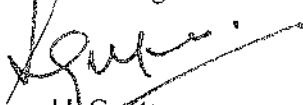
Inherent Limitations of Internal Financial Controls Over Financial Reporting

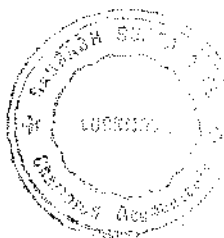
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Saurabh Gupta & Co.
Chartered Accountants
ICAI Firm Registration Number: 010542C


Saurabh Gupta
Proprietor
Membership Number: 400057
UDIN:
Date: 30th May, 2025
Place: Lucknow.



K M Spirits and Allied Industries Limited

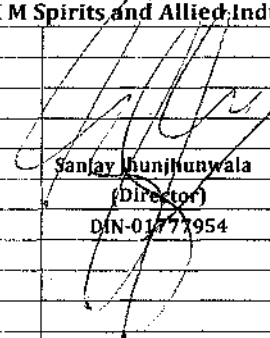
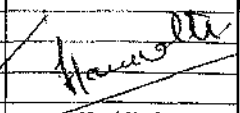
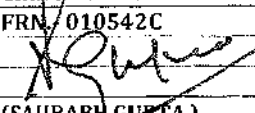
CIN: U15100UP2018PLC101321

Regd. Office:-76, Eldeco Greens, Gomti Nagar, Lucknow-226010

CIN No.: U15100UP2018PLC101321, Phone no.:0522-4079561, Mail id- kmspirits76@gmail.com

Balance Sheet as at 31st Mar, 2025

(Rs. in lacs)

| | Particulars | Note No. | As at Mar 31,2025 | As at Mar 31,2024 |
|-----------|---|----------|--|---|
| I | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | | - | |
| | (b) Capital work-in-progress | | - | |
| | (c) Other Financial Assets | 2 | 4.69 | 4.69 |
| | | | 4.69 | 4.69 |
| 2 | Current assets | | | |
| | (a) Financial assets | | | |
| | (i) Trade and other receivables | 3 | - | - |
| | (ii) Cash and cash equivalents | 4 | 0.80 | 0.60 |
| | (b) Other current assets | 5 | - | - |
| | (c) Other assets | | - | - |
| | | | 0.80 | 0.60 |
| | Total Assets | | 5.49 | 5.29 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | EQUITY | | | |
| | (a) Equity Share Capital | 6 | 5.00 | 5.00 |
| | (b) Other Equity | 7 | 0.31 | 0.17 |
| | | | 5.31 | 5.17 |
| | LIABILITIES | | | |
| 2 | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowing | | | |
| | (ii) Other financial liabilities | | | |
| | (b) Other non current liabilities | | | |
| | (c) Deferred tax liabilities (net) | | | |
| | (d) Provisions | | | |
| | | | - | - |
| 3 | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Trade payables and other payables | 8 | 0.14 | 0.08 |
| | (b) Other current liabilities - Provision for taxation | 9 | 0.04 | 0.04 |
| | | | 0.18 | 0.12 |
| | Total Equity and Liabilities | | 5.49 | 5.29 |
| | Corporate Information | | | |
| | Significant Accounting Policies | | | |
| | Other disclosures | | | |
| | The accompanying notes 1 to 14 are an integral part of the financial statements | | | |
| | AUDITOR'S REPORT | | FOR AND ON BEHALF OF THE BOARD OF DIRECTORS | |
| | SIGNED IN TERMS OF OUR SEPARATE | | K M Spirits and Allied Industries Limited | |
| | REPORT OF EVEN DATE. | | | |
| | For Saurabh Gupta & Co., | |  |  |
| | Chartered Accountants | | Sanjay Hunjhuwala | Hari Nath |
| | FRN: 010542C | | (Director) | (Director) |
| |  | | DIN-01777954 | DIN-06804331 |
| | (SAURABH GUPTA) | | | |
| | Proprietor | | | |
| | M. NO.:400057 | | | |
| | PLACE: LUCKNOW | | | |
| | DATED: 05.05.2025 | | | |
| | UDIN - | | | |

K M Spirits and Allied Industries Limited

CIN: U15100UP2018PLC101321

Statement of Profit and Loss from 01-04-2024 to 31-03-2025

(Rs. in lacs)

| | Particulars | Note No | Period Ended 31st Mar,2025 | Period Ended 31st Mar,2024 |
|------|--|---------|-------------------------------|-------------------------------|
| I | Revenue From Operations | | | |
| II | Other Income | 10 | 0.30 | 0.29 |
| III | Total Income (I+II) | | 0.30 | 0.29 |
| IV | EXPENSES | | | |
| | Other expenses | 11 | 0.12 | 0.10 |
| | Total expenses | | 0.12 | 0.10 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | | 0.18 | 0.19 |
| VI | Exceptional Items | | - | - |
| VII | Profit/(loss) before tax (V-VI) | | 0.18 | 0.19 |
| VIII | Tax expense: | | | |
| | Current tax | | 0.04 | 0.04 |
| | MAT Credit entitlement | | - | - |
| | Deferred tax | | - | - |
| IX | Profit (Loss) for the period (VII-VIII) | | 0.14 | 0.15 |
| XI | Other Comprehensive Income (i) Items that will not be reclassified to profit or loss (Gain) / Loss arising on actuarial valuation arising on defined benefit obligation (Gain) / Loss arising on fair valuation of equity Instrument (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| XII | Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period) | | 0.14 | 0.15 |
| XIII | Earnings per equity share | | | |
| | (1) Basic | | 0.28 | 0.30 |
| | (2) Diluted | | 0.28 | 0.30 |

Corporate Information-

Significant Accounting Policies -

Other Disclosures -

The accompanying notes 1 to 14 are an integral part of the financial statements

As per our report of even date attached

AUDITOR'S REPORT

SIGNED IN TERMS OF OUR SEPARATE

REPORT OF EVEN DATE.

For Saurabh Gupta & Co.,

Chartered Accountants

FRN./010542C


(SAURABH GUPTA)

Proprietor

M. NO. : 400057

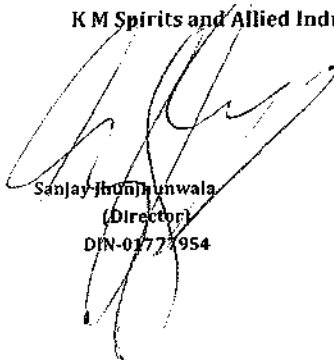
PLACE: LUCKNOW

DATED: 05.05.2025

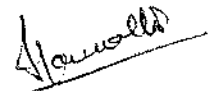
UDIN -



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
K M Spirits and Allied Industries Limited


Sanjay Jhunjhunwala
(Director)

DIN-01773954


Hari Nath
(Director)

DIN-06804331

K M Spirits and Allied Industries Limited

CIN: U15100UP2018PLC101321

Regd. Office:-76, Eldeco Greens, Gomti Nagar, Lucknow-226010

CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561; Mail id- kmspirits76@gmail.com

(Rs. in lacs)

| S.No. | Particulars | Period ended | |
|-------|--|----------------|----------------|
| | | 31st Mar, 2025 | 31st Mar, 2024 |
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit/(Loss) before tax and exceptional items | 0.18 | 0.19 |
| | Adjustment to reconcile profit before exceptional items and extraordinary items and tax to net cash flow provided by operating activities: | | |
| | Depreciation and amortisation expense | - | - |
| | Finance costs | - | - |
| | Transfer to storage fund for molasses | - | - |
| | Provision/reversal of doubtful debts | - | - |
| | Balances written off | - | - |
| | Interest income | (0.30) | (0.29) |
| | Government Grant | - | - |
| | Profit or loss on sale of fixed assets | - | - |
| | Unspent liabilities/balances written back | - | - |
| | Other expenses | - | - |
| | Remeasurement of defined benefit obligation | - | - |
| | Operating Profit before working capital changes | (0.12) | (0.10) |
| | Adjustment to reconcile operating profit to cash flow provided by change in working capital | | |
| | (Increase)/Decrease in trade and other receivables | - | - |
| | (Increase) / Decrease in inventories | - | - |
| | (Increase) / Decrease in Current & Non current Assets | - | - |
| | (Increase) / Decrease in Loan | - | - |
| | Increase / (Decrease) in trade payables & Others | 0.06 | 0.09 |
| | Increase / (Decrease) in Current & Non current Liabilities | - | - |
| | Increase / (Decrease) in Other Financial Liabilities | - | - |
| | Increase / (Decrease) in Provisions | - | - |
| | Cash Generated from Operations | (0.06) | (0.01) |
| | Tax expense (excluding wealth tax) | 0.04 | 0.04 |
| | Cash flow before exceptional and extraordinary items | (0.10) | 0.03 |
| | Exceptional items -Voluntary retirement scheme | - | - |
| | Net Cash generated From Operating Activities (A) | (0.10) | 0.03 |
| B. | Cash Flow from investing activities | | |
| | Purchase of fixed assets | - | - |
| | Sales of fixed assets | - | - |
| | Proceeds from sale of Investment (Net) | - | - |
| | Addition in CWIP | - | - |
| | Interest income received | 0.30 | - |
| | Net Cash used In Investing Activities | 0.30 | - |
| C. | Cash Flow From Financing activities | | |
| | Proceeds for share application money | - | - |
| | Proceeds of long term borrowings | - | - |
| | Repayments of long term borrowings | - | - |
| | Proceeds/(repayments) of short term borrowings | - | - |
| | Finance cost paid | - | - |
| | Net Cash From Financing Activities | - | - |
| | Net Increase in Cash & Cash Equivalents (A+B+C) | 0.20 | 0.03 |
| D. | Opening cash and cash equivalents | 0.60 | 0.57 |
| E. | Closing cash and cash equivalents for the purpose of cash flow statement(Refer Note No.) | 0.80 | 0.60 |
| | Increase in Cash & Cash Equivalents (D-E) | 0.20 | 0.03 |

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.
For Saurabh Gupta & Co.,
Chartered Accountants
FRN: 610542C

(SAURABH GUPTA)
Proprietor
M. NO.: 400857
PLACE: LUCKNOW
DATED: 05.05.2025



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
K M Spirits and Allied Industries Limited

Sanjay Bhumhunjwala
(Director)
DIN-0177954

Hari Nath
(Director)
DIN-06804331

Note : For Cash flow preparation for Mar 2025, figures have been compared with Balance Sheet as at 31-03-2024.

K M Spirits and Allied Industries Limited

As at 31.03.2025

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Significant Accounting Policies:

a) Basis Of Preparation:

Accounting policies followed are consistent with generally accepted accounting practices.

b) Revenue Recognition:

The Company has been consistently following the accrual method in accounting its income and expenses. Dividend income is accounted for when the right to receive the same is established.

c) Cash & Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase to be cash equivalents.

d) Investments:

Investments are stated at cost and considered as long term and appropriate provision has been made for diminution in the value of investments other than temporary. Current investments are stated at lower of cost or NAV.

e) Property Plant And Equipment

There are no assets owned by the Company.



K M SPIRITS & ALLIED INDUSTRIES LIMITED
Notes to The Financial Statements as at 31st Mar, 2025

(Amount in Rs.)

| | | 31st Mar,2025 | 31st Mar,2024 |
|--------------|---|---------------|---------------|
| Note 2 | Non Currents Assets | | |
| | Other Financial Assets | | |
| | FDR No-39385077272 (maturity period more than 12 months) | 4.45 | 4.45 |
| | Accrued Interest on FDR | 0.24 | 0.24 |
| Total | 4.69 | 4.69 | |

| | | Current | Non current | Current | Non current |
|--------------|---|---------|-------------|---------|-------------|
| 3.00 | Current Assets | | | | |
| | Trade Receivables- considered good below six months | - | - | - | - |
| | Capital advances | - | - | - | - |
| | Advance to suppliers | - | - | - | - |
| | Considered Good | - | - | - | - |
| | Considered doubtful | - | - | - | - |
| | Less: Allowance for doubtful advance | - | - | - | - |
| | Others | - | - | - | - |
| | Duties and Taxes Paid under protest | - | - | - | - |
| | Others | - | - | - | - |
| | Deferred Rent | - | - | - | - |
| | Upfront fee | - | - | - | - |
| Total | | | | | |

| | | 31st Mar,2025 | 31st Mar,2024 |
|--------------|----------------------------------|---------------|---------------|
| Note 4 | CASH AND CASH EQUIVALENT | | |
| | Balances with Banks | | |
| | In current Account SBI (Lucknow) | 0.80 | 0.60 |
| Total | 0.80 | 0.60 | |

| | | | |
|--------------|---|--|--|
| Note 5 | Other Current Assets | | |
| | FDR No (maturity period less than 12 months) | | |
| | Accrued Interest on FDR | | |
| Total | | | |

| | | No. of shares | Amount | No. of shares | Amount |
|--------------|---------------------------------------|---------------|----------|---------------|----------|
| Note 6 | Share Capital | | | | |
| | AUTHORISED | | | | |
| | Equity Share Capital | | | | |
| | Equity Shares of Rs. 10/- each | 50,000 | 5 | 50,000 | 5 |
| Total | | 50,000 | 5 | 50,000 | 5 |
| | Issued capital | | | | |
| | Equity Share Capital | | | | |
| | Equity Shares of Rs. 10/- each | 50,000 | 5 | 50,000 | 5 |
| Total | | 50,000 | 5 | 50,000 | 5 |
| | Subscribed and paid up capital | | | | |
| | Equity Share Capital | | | | |
| | Equity Shares of Rs. 10/- each | 50,000 | 5 | 50,000 | 5 |
| Total | | 50,000 | 5 | 50,000 | 5 |

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

| | | No. of shares | Amount | No. of shares | Amount |
|-------------------------|---|---------------|----------|---------------|----------|
| i) Equity share capital | | | | | |
| | Shares outstanding at the beginning of the year | - | - | - | - |
| | Shares issued during the year | 50,000 | 5 | 50,000 | 5 |
| | Shares bought back during the year | - | - | - | - |
| | Shares outstanding at the end of the year | 50,000 | 5 | 50,000 | 5 |

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 10/- 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 Shareholding of Promoters in the Company

| | | 31st Mar,2025 | | | 31st Mar,2024 | |
|---|--------------------|-----------------------------|--------------------------|--------------------|-----------------------------|--|
| Particulars | No. of Shares held | Percentage of share holding | % Change during the Year | No. of Shares held | Percentage of share holding | |
| Equity shares of INR 10/- each fully paid up M/s K M Sugar Mills Limited (Including Nominee Shareholders) | 50,000 | 100.00 | - | 50,000 | 100.00 | |

(Amount in Rs.)

| | 31st Mar, 2025 | 31st Mar, 2024 |
|---|----------------|----------------|
| Note 7 Other Equity | | |
| Surplus/(Deficit) in Statement of Profit & Loss | | |
| Balance as per last account | 0.17 | 0.02 |
| Add: Profit/(Loss) for the current year | 0.14 | 0.15 |
| Closing balance | <u>0.31</u> | <u>0.17</u> |
| TOTAL | <u>0.31</u> | <u>0.17</u> |

| | | |
|---|-------------|-------------|
| Note 9 Other Current liabilities | | |
| Statutory liabilities | | |
| Provision for Tax | 0.04 | 0.04 |
| Total | <u>0.04</u> | <u>0.04</u> |



Note No. 8

| | As at 31.03.2025 (₹ In Lacs) | As at 31.03.2024 (₹ In Lacs) |
|---|---------------------------------|------------------------------------|
| Trade Payables | | |
| Total outstanding dues of micro enterprises and small enterprises* | - | - |
| Total outstanding due to creditors other than micro enterprises and small enterprises | 0.14 | 0.08 |
| | 0.14 | 0.08 |

Trade payables ageing schedule

| Particulars | As at 31.03.2025 (₹ In Lacs) | | | | | As at 31.03.2024 (₹ In Lacs) | | | | |
|----------------------------|--|-----------|-----------|-------------------|-------|--|-----------|-----------|-------------------|-------|
| | Outstanding for following periods from due date of payment | | | | | Outstanding for following periods from due date of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - | - | - | - | - | - |
| (ii) Others | 0.14 | - | - | - | 0.14 | 0.08 | - | - | - | 0.08 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - | - | - | - | - |
| (iv) Disputed Dues others | - | - | - | - | - | - | - | - | - | - |



K M SPIRITS & ALLIED INDUSTRIES LIMITED

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

| | 31st Mar.25 | 31st Mar.24 |
|---|----------------------|----------------------|
| | <i>(Rs. in lacs)</i> | <i>(Rs. in lacs)</i> |
| Note 10 <u>Other Income</u> | - | - |
| Interest on Deposit with bank | 0.30 | 0.29 |
| Excess Provision Written Back | - | 0.00 |
| | - | - |
| Total | 0.30 | 0.29 |
| | | |
| Note 11 <u>Other Expenses</u> | | |
| Filing Fee | 0.02 | 0.01 |
| Bank Charges | 0.01 | 0.01 |
| Audit fee | 0.08 | 0.08 |
| Preliminary Exp | - | - |
| Income Tax paid | 0.01 | - |
| Total | 0.12 | 0.10 |



K M Spirits and Allied Industries Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

12. Disclosure in respect of Related Parties pursuant to Accounting Standard 18:

a) Key Management Personnel

Mr. Sanjay Jhunjhunwala

Mr. Aditya Jhunjhunwala

b) Relative of Key Management Personnel

Mr. L.K. Jhunjhunwala

Mrs. Naina Devi Jhunjhunwal

Mrs. Prii Jhunjhunwala

c) Enterprises over which Relative of Key Management Personnel exercise significant influence/Control:

None

d) Transactions With Related Parties:

Nil
(Rs In Lacs)

| Related Party | Finance Taken/ Repayment | Closing Balance |
|---------------|-----------------------------|-----------------|
| | | |

Note : 13. Ratios

| Ratio | Numerator | Denominator | Analytical ratios | | | Reason for Variance |
|----------------------------------|-------------------------------------|------------------------------|---|---|------------|--|
| | | | As at 31st March, 2025 (Rs. In lacs) | As at 31st March, 2024 (Rs. In lacs) | % Variance | |
| Current Ratio | Total Current Assets | Total Current Liability | 0.60 | 0.57 | 5.26 | Due to change in cash and interest accrued |
| Debt Equity Ratio | Total Debt | Shareholder's Equity | NA | NA | NA | |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt service | NA | NA | NA | |
| Return on Equity | Net Profit after taxes | Average Shareholder's Equity | 2.64% | 2.90% | -9% | Due to decrease in Profits |
| Inventory turnover ratio | Sales | Average Inventory | NA | NA | NA | |
| Trade Receivables turnover ratio | Net Credit Sales | Average Trade Receivable | NA | NA | NA | |
| Trade Payables turnover ratio | Net Credit Purchases | Average Trade Payables | NA | NA | NA | |
| Net Capital Turnover Ratio | Net Sales | Average Working Capital | 0.05 | 0.05 | 0% | No chage |
| Net Profit Ratio | Net Profit after taxes | Net Sales | 0.47 | 0.52 | -10% | Due to increase in expenses |
| Return on Capital Employed | Earning before Interest and Taxes | Capital Employed | 0.03 | 0.04 | -8% | Due to increase in expenses |
| Return on Investment | | | | | | |

Note 14 :- Earnings Per Share has been calculated as under:

| Particulars | Rs. | |
|--|-----------------------------|-----------------------------|
| | 31 st March,2025 | 31 st March,2024 |
| Profit attributable to equity holders of the Company: | 0.14 | 0.15 |
| Profit attributable to equity holders for basic earnings | 0.14 | 0.15 |
| Profit attributable to equity holders adjusted for dilution effect | 0.14 | 0.15 |
| Weighted Average number of equity shares used for computing Earning Per Share (in nos.) | 50,000 | 50,000 |
| Earnings Per Share (Basic & Diluted) | 0.30 | 0.30 |

15. Provision for Tax is Rs.0.04 lacs (Previous year Rs. 0.04 lacs).

16. The company has regrouped/reclassified the previous year figures in accordance with the requirements applicable in the current year.

As per our report of even date attached

AUDITOR'S REPORT

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

For Saurabh Gupta & Co.,

Chartered Accountants

FRN- 010542C

(SAURABH GUPTA)

Proprietor

M. NO. :400057

PLACE: LUCKNOW

DATED: 27.05.2025



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
K M Spirits and Allied Industries Limited

Sanjay Jhunjhunwala
(Director)
DIN-01777354

Hari Nath
(Director)
DIN-06804331

K M Spirits and Allied Industries Limited

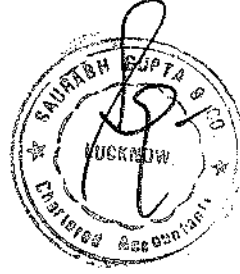
76, ELDECO GREENS, GOMTI NAGAR, LUCKNOW-226010

CIN: U15100UP2018PLG101321

List of Equity Shareholders

As at 31-03-2025

| Name | No of Shares |
|------------------------|--------------|
| K M Sugar Mills Ltd | 49994 |
| Aditya Jhunhunwala | 1 |
| L.K. Jhunhunwala | 1 |
| Hari Nath | 1 |
| Naina Devi Jhunhunwala | 1 |
| Priti Jhunhunwala | 1 |
| Mohit Agarwal | 1 |
| Total | 50000 |



K.M. Spirits & Allied Industries Ltd

P.O-Motinagar ,Faizabad (UP)

Trial Balance

1-Apr-2024 to 31-Mar-2025

| Particulars | K.M. Spirits & Allied Industries Ltd | | | |
|--|--------------------------------------|-----------------|-----------------|--------------------|
| | 1-Apr-2024 to 31-Mar-2025 | | | |
| | Opening Balance | Transactions | | Closing Balance |
| | | Debit | Credit | |
| Capital Account | 500000.00 Cr | | | 5.00 Cr |
| <i>Share Capital</i> | 500000.00 Cr | | | 5.00 Cr |
| Current Liabilities | 12000.00 Cr | 12800.00 | 9600.00 | 0.09 Cr |
| <i>Provisions</i> | 8000.00 Cr | 7200.00 | 8000.00 | 0.09 Cr |
| <i>Audit Fees Payable</i> | 8000.00 Cr | 7200.00 | 8000.00 | 0.09 Cr |
| <i>Pragati Gupta</i> | | 1600.00 | 1600.00 | |
| <i>Provision for Taxation</i> | 4000.00 Cr | 4000.00 | | |
| Investments | 445000.00 Dr | | | 4.45 Dr |
| <i>FDR with SBI No-39385077272</i> | 445000.00 Dr | | | 4.45 Dr |
| Current Assets | 84289.00 Dr | 53832.00 | 39053.00 | 0.99 Dr |
| <i>Sundry Debtors</i> | | | 5000.00 | 0.05 Cr |
| <i>Bank Accounts</i> | 60095.00 Dr | 29638.00 | 9859.00 | 0.80 Dr |
| <i>State Bank of India, Gomtinagar</i> | 60095.00 Dr | 29638.00 | 9859.00 | 0.80 Dr |
| <i>Accrued Interest on FDR</i> | 24194.00 Dr | 24194.00 | 24194.00 | 0.24 Dr |
| Indirect Incomes | | | 29638.00 | 0.30 Cr |
| <i>Interest Received on FDR</i> | | | 29638.00 | 0.30 Cr |
| Indirect Expenses | | 11659.00 | | 0.12 Dr |
| <i>Audit Fees</i> | | 8000.00 | | 0.08 Dr |
| <i>Bank Charges</i> | | 659.00 | | 0.01 Dr |
| <i>Filing Fees</i> | | 2000.00 | | 0.02 Dr |
| <i>Income Tax Paid</i> | | 1000.00 | | 0.01 Dr |
| Profit & Loss A/c | 17289.00 Cr | | | 0.17 Cr |
| Grand Total | | 78291.00 | 78291.00 | |





K.M. Sugar Mills Ltd.

Factory & Works: PO Motinagar-224201, Dist. Ayodhya (U.P)
 Phone : 7571000692, Email :- director@kmsugar.com
 CIN No. L15421UP1971PLC003492 GSTIN No. 09AAACK5545P1ZZ

Date: 10.02.2026

| | |
|--|--|
| National Stock Exchange Of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Phone No. 022-26598100 | BSE Limited, 25 th Floor, Phiroz Jeebhoy Towers, Dalal Street, Fort, Mumbai-400001 Phone no. 022-22728527 |
| Scrip Code: KMSUGAR | Scrip Code: 532673 |

Dear Sir/Madam,

Ref: Intimation dated 06.02.2026 regarding the Board Meeting

Sub: Outcomes of Board Meeting held on February 10, 2026 - Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Pursuant to Regulation 30 and 33 of the Listing Regulations, this is to inform that the Board of Directors ("Board") of K M Sugar Mills Limited, at its meeting held today, i.e. February 10, 2026, has *inter-alia* considered and:

Approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on December 31st, 2025, as per the recommendations of the Audit Committee. The copy of the said financial results, along with the Limited Review Report issued by M/s. Mehrotra & Mehrotra, Chartered Accountants, Statutory Auditors of the Company, is enclosed herewith.

The above financial results and limited review report of the statutory auditor are also uploaded on the website of the Company, <https://www.kmsugar.com>.

The meeting of the Board of the Company commenced at 14:30 P.M. (IST) and concluded at 16:45 P.M. (IST).

You are requested to kindly take the above information on your records.

Thanking you,
Yours sincerely

For K M Sugar Mills Limited

Ritika Digitally signed
by Ritika Tandon
Date: 2026.02.10
16:46:33 +05'30'

RITIKA TANDON
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: A/a



Independent Auditor's Limited Review Report on the unaudited standalone quarterly financial results of K M Sugar Mills Limited pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, for the quarter and nine months ended December 31, 2025

To The Board of Directors of K M Sugar Mills Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of K M Sugar Mills Limited. (the 'Company'), for the quarter and nine months ended December 31, 2025 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "Listing Regulations"), as amended to date, which has been initiated by us for identification purpose.
2. This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed u/s 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedure performed as stated in Paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified u/s 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circular, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Mehrotra & Mehrotra

Chartered Accountants

Firm's Registration No.: 000226C

CA Sanjay Kr. Rai

Partner

Membership No.: 507946

UDIN: 26507946FQNCPP6106



Place: Lucknow

Date: 10th February, 2026

K M SUGAR MILLS LIMITED

Regd. Office: 76, Eldeco Greens, Gomtinagar, Lucknow-226010 (U.P.)

CIN No.: L15421UP1971PLC003492, Phone No.: 0522-4079561

Email: cs@kmsugar.in, Website: www.kmsugar.com

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2025

(Rs. in lakhs, except EPS data)

| Sl. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|---|---------------|---------------|---------------|-------------------|---------------|---------------|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | a) Revenue from operations | 16,908 | 17,508 | 16,576 | 55,239 | 50,575 | 65,901 |
| | b) Other income | 1,154 | 371 | 140 | 1,734 | 518 | 737 |
| | Total income | 18,062 | 17,879 | 16,716 | 56,973 | 51,093 | 66,638 |
| 2 | Expenses | | | | | | |
| | a) Cost of materials consumed | 17,740 | 115 | 15,917 | 18,033 | 17,302 | 42,937 |
| | b) Purchases of stock-in-trade | 12 | 4 | 14 | 23 | 39 | 48 |
| | c) Changes in inventories of finished goods, work in progress and stock in trade | (6,383) | 12,887 | (5,373) | 21,968 | 18,610 | 1,668 |
| | d) Employees benefit expenses | 708 | 576 | 603 | 1,801 | 1,547 | 2,193 |
| | e) Finance costs | 105 | 270 | 265 | 880 | 1,353 | 1,817 |
| | f) Depreciation and amortisation expense | 534 | 530 | 526 | 1,584 | 1,589 | 2,197 |
| | g) Other expenses | 2,547 | 2,115 | 2,983 | 6,717 | 7,271 | 10,886 |
| | Total expenses | 15,283 | 16,477 | 14,936 | 51,004 | 47,710 | 61,746 |
| 3 | Profit/(Loss) before exceptional items and tax (1-2) | 2,779 | 1,402 | 1,780 | 5,969 | 3,383 | 4,892 |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | Profit/(Loss) after exceptional item and before tax (3-4) | 2,779 | 1,402 | 1,780 | 5,969 | 3,383 | 4,892 |
| 6 | Tax expenses | | | | | | |
| | Current tax | 687 | 373 | 516 | 1,547 | 944 | 1,354 |
| | Deferred tax | 33 | (17) | - | 4 | (10) | (17) |
| | Total Tax Expenses | 720 | 356 | 516 | 1,551 | 934 | 1,337 |
| 7 | Profit/(Loss) after tax (5-6) | 2,059 | 1,046 | 1,264 | 4,418 | 2,449 | 3,555 |
| 8 | Other comprehensive income (OCI) | | | | | | |
| | (i) Items that will not be reclassified to profit or loss | - | 9 | - | 9 | 11 | (19) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (2) | - | (2) | (3) | 5 |
| | Total other comprehensive income | - | 7 | - | 7 | 8 | (14) |
| 9 | Total comprehensive income (7+8) | 2,059 | 1,053 | 1,264 | 4,425 | 2,457 | 3,541 |
| 10 | Paid up equity share capital (Face value of the share is Rs. 2 each) | 1,840 | 1,840 | 1,840 | 1,840 | 1,840 | 1,840 |
| 11 | Other Equity | | | | | | 33,859 |
| 12 | Earnings Per Share (before and after extraordinary items) (of Rs.2/- each) (not annualised) | | | | | | |
| | a) Basic (Rs. per share) | 2.24 | 1.14 | 1.37 | 4.80 | 2.66 | 3.86 |
| | b) Diluted (Rs. per share) | 2.24 | 1.14 | 1.37 | 4.80 | 2.66 | 3.86 |



Unaudited Standalone Segment Wise Revenue, Results, Assets and Liabilities

Rs. in lakhs

| Sl. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|---|---------------|---------------|---------------|-------------------|---------------|---------------|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment Revenue | | | | | | |
| a | Sugar | 15,325 | 16,009 | 15,075 | 50,511 | 45,925 | 59,480 |
| b | Distillery | 2,394 | 1,940 | 2,140 | 6,767 | 6,534 | 9,121 |
| | Total segment revenue | 17,719 | 17,949 | 17,215 | 57,278 | 52,459 | 68,611 |
| | Less: Inter Segment Revenue | 811 | 441 | 639 | 2,039 | 1,884 | 2,710 |
| | Revenue from operations | 16,908 | 17,508 | 16,576 | 55,239 | 50,575 | 65,901 |
| 2 | Segment results | | | | | | |
| | Profit/(Loss) before tax and finance costs | | | | | | |
| a | Sugar | 2,877 | 1,749 | 2,130 | 6,756 | 4,610 | 6,486 |
| b | Distillery | 7 | (77) | (84) | 93 | 126 | 223 |
| | Total | 2,884 | 1,672 | 2,046 | 6,849 | 4,736 | 6,709 |
| | Less: (i) Finance costs | 105 | 270 | 266 | 880 | 1,353 | 1,817 |
| | (ii) Other unallocable expenditure net off | - | - | - | - | - | - |
| | Profit/(loss) before tax | 2,779 | 1,402 | 1,780 | 5,969 | 3,383 | 4,892 |
| 3 | (Segment Assets) | | | | | | |
| a | Sugar | 43,597 | 38,563 | 49,630 | 43,597 | 49,630 | 64,629 |
| b | Distillery | 8,328 | 8,479 | 7,559 | 8,328 | 7,559 | 8,358 |
| | Total | 51,923 | 47,042 | 57,189 | 51,923 | 57,189 | 72,988 |
| 4 | (Segment Liabilities) | | | | | | |
| a | Sugar | 11,226 | 7,876 | 22,011 | 11,226 | 22,011 | 36,389 |
| b | Distillery | 1,645 | 2,207 | 1,624 | 1,645 | 1,624 | 1,980 |
| c | Unallocable | 766 | 733 | 774 | 766 | 774 | 760 |
| | Total | 13,637 | 10,816 | 24,409 | 13,637 | 24,409 | 39,129 |

Notes to Accounts:

- The above unaudited standalone financial results for the quarter and nine months ended December 31, 2025 were reviewed and recommended for adoption by Audit Committee and thereafter approved by the Board of Directors at the meetings held on February 10, 2026. The Statutory auditors have carried out a limited review of the above financial results.
- The above financial results have been prepared in accordance with Indian Accounting Standard ('Ind AS') referred to in the Companies (Indian Accounting Standard) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- On November 21, 2025 the Government of India notified four labour codes ('New Labour Codes') consolidating 29 existing labour laws. The Company has assessed the impact and is of the view that the same is not expected to have any material financial impact. The Company continues to monitor the developing regulatory scenario, including finalisation of Central/ State Rules and clarifications from the Government on other aspects of labour codes. The accounting effect of such development any, would be appropriately considered.
- The company has received insurance claim of 15MW turbine and the net amount Rs.664 lakhs has been accounted under head other income during the quarter ended on December 31, 2025.
- Sugar being seasonal industry, the performance of the Company varies from quarter to quarter and the results for the quarter as such may not representative of the annual performance of the Company.
- Previous period figures have been regrouped /rearranged, wherever considered necessary, to make them comparable with the current period.

Place: Lucknow
Date: 10.02.2026



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



Aditya Jhunjunwala
Managing Director
DIN: 01686189



Independent Auditor's Limited Review Report on the unaudited consolidated quarterly financial results of K M Sugar Mills Limited pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, for the quarter and nine months ended December 31, 2025

To The Board of Directors of K M Sugar Mills Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of K M Sugar Mills Limited. (the 'Parent') and its one subsidiary (the Parent and its subsidiary together referred to as the 'Group'), for the quarter and nine months ended December 31, 2025 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended to date (the "Listing Regulations"), which has been initiated by us for identification purposes.
2. This statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed u/s 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes results of the following entity (Subsidiary):

| Serial No. | Name of the Entity | Relationship |
|------------|---|----------------|
| 1. | K M Sugar Mills Limited | Parent Company |
| 2. | K M Spirits & Allied Industries Limited | Subsidiary |

5. Based on our review conducted and procedure performed as stated in Paragraph 3 above and based on the considerations of the review reports of other auditors referred to in Paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the



SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The statement includes the interim financial information / financial results of one subsidiary which has not been reviewed, whose results reflect total assets of Rs.5.73 lakhs, total revenue of Rs.0.08 lakhs and Rs.0.23 lakhs and total net profit/(loss) after tax of (Rs.0.03) lakhs and Rs.0.03 lakhs and total comprehensive income of (Rs.0.03) lakhs and Rs.0.03 lakhs for the quarter and nine months ended December 31, 2025 respectively, as considered in the unaudited consolidated financial results. According to the information and explanations given to us by the Parent's management, these interim financial information / financial results are not material to the Group.

Our conclusion on the statement is not modified in respect of the above matters.

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



CA Sanjay Kr. Rai
Partner
Membership No.: 507946
UDIN: 26507946HZCROL8416

Place: Lucknow
Date: 10th February, 2026

K M SUGAR MILLS LIMITED

Regd. Office: 78, Eldeco Greens, Gomtinagar, Lucknow-226010 (U.P.)

CIN No.: L15421UP1971PLC003492, Phone No.: 0522-4079561

Email: cs@kmsugar.in, Website: www.kmsugar.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2025

(Rs. in lakhs, except EPS data)

| Sl. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|---|---------------|---------------|---------------|-------------------|---------------|---------------|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | a) Revenue from operations | 16,908 | 17,508 | 16,576 | 55,239 | 50,575 | 65,901 |
| | b) Other income | 1,154 | 371 | 140 | 1,734 | 516 | 737 |
| | Total income | 18,062 | 17,879 | 16,716 | 56,973 | 51,093 | 66,638 |
| 2 | Expenses | | | | | | |
| | a) Cost of materials consumed | 17,740 | 115 | 15,917 | 18,033 | 17,302 | 42,937 |
| | b) Purchases of stock-in-trade | 12 | 4 | 14 | 23 | 39 | 48 |
| | c) Changes in inventories of finished goods, work in progress and stock in trade | (6,363) | 12,867 | (5,373) | 21,968 | 18,610 | 1,668 |
| | d) Employees benefit expenses | 708 | 578 | 603 | 1,801 | 1,547 | 2,193 |
| | e) Finance costs | 105 | 270 | 268 | 880 | 1,353 | 1,817 |
| | f) Depreciation and amortisation expense | 534 | 530 | 526 | 1,584 | 1,588 | 2,197 |
| | g) Other expenses | 2,547 | 2,115 | 2,983 | 6,717 | 7,271 | 10,886 |
| | Total expenses | 15,283 | 16,477 | 14,936 | 51,004 | 47,710 | 61,746 |
| 3 | Profit/(Loss) before exceptional items and tax (1-2) | 2,779 | 1,402 | 1,780 | 5,969 | 3,383 | 4,892 |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | Profit/(Loss) after exceptional item and before tax (3-4) | 2,779 | 1,402 | 1,780 | 5,969 | 3,383 | 4,892 |
| 6 | Tax expenses | | | | | | |
| | Current tax | 687 | 373 | 516 | 1,547 | 944 | 1,354 |
| | Deferred tax | 33 | (17) | - | 4 | (10) | (17) |
| | Total Tax Expenses | 720 | 356 | 516 | 1,551 | 934 | 1,337 |
| 7 | Profit/(Loss) after tax (5-6) | 2,059 | 1,046 | 1,264 | 4,418 | 2,449 | 3,555 |
| 8 | Other comprehensive income (OCI) | | | | | | |
| | (i) Items that will not be reclassified to profit or loss | - | 9 | - | 9 | 11 | (19) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (2) | - | (2) | (3) | 5 |
| | Total other comprehensive income | - | 7 | - | 7 | 8 | (14) |
| 9 | Total comprehensive income (7+8) | 2,059 | 1,053 | 1,264 | 4,425 | 2,457 | 3,541 |
| 10 | Paid up equity share capital (Face value of the share is Rs. 2 each) | 1,840 | 1,840 | 1,840 | 1,840 | 1,840 | 1,840 |
| 11 | Other Equity | | | | | | 33,859 |
| 12 | Earnings Per Share (before and after extraordinary items) (of Rs. 2/- each) (not annualised) | | | | | | |
| | a) Basic (Rs. per share) | 2.24 | 1.14 | 1.37 | 4.80 | 2.66 | 3.86 |
| | b) Diluted (Rs. per share) | 2.24 | 1.14 | 1.37 | 4.80 | 2.66 | 3.86 |



[Handwritten Signature]



Unaudited Consolidated Segment Wise Revenue, Results, Assets and Liabilities

Rs. in lakhs

| Sl. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|--|---------------|---------------|---------------|-------------------|---------------|---------------|
| | | 31.12.2025 | 30.09.2025 | 31.12.2024 | 31.12.2025 | 31.12.2024 | 31.03.2025 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment Revenue | | | | | | |
| a | Sugar | 15,325 | 16,009 | 15,075 | 50,511 | 45,925 | 59,490 |
| b | Distillery | 2,394 | 1,940 | 2,140 | 6,797 | 6,534 | 9,121 |
| | Total segment revenue | 17,719 | 17,949 | 17,215 | 57,278 | 52,459 | 68,611 |
| | Less: Inter Segment Revenue | 811 | 441 | 639 | 2,039 | 1,884 | 2,710 |
| | Revenue from operations | 16,908 | 17,508 | 16,576 | 55,239 | 50,575 | 65,901 |
| 2 | Segment results | | | | | | |
| | Profit(Loss) before tax and finance costs | | | | | | |
| a | Sugar | 2,877 | 1,749 | 2,130 | 6,756 | 4,610 | 6,496 |
| b | Distillery | 7 | (77) | (84) | 93 | 126 | 223 |
| c | Others | - | - | - | - | - | - |
| | Total | 2,884 | 1,672 | 2,046 | 6,849 | 4,736 | 6,709 |
| | Less: (i) Finance costs | 105 | 270 | 266 | 880 | 1,353 | 1,817 |
| | (ii) Other unallocable expenditure net off | - | - | - | - | - | - |
| | Profit/(loss) before tax | 2,779 | 1,402 | 1,780 | 5,969 | 3,383 | 4,892 |
| 3 | (Segment Assets) | | | | | | |
| a | Sugar | 43,597 | 38,563 | 49,630 | 43,597 | 49,630 | 64,629 |
| b | Distillery | 8,321 | 8,474 | 7,554 | 8,321 | 7,554 | 8,354 |
| c | Others | 5 | 5 | 5 | 5 | 5 | 5 |
| | Total | 51,923 | 47,042 | 57,189 | 51,923 | 57,189 | 72,988 |
| 4 | (Segment Liabilities) | | | | | | |
| a | Sugar | 11,226 | 7,876 | 22,011 | 11,226 | 22,011 | 36,389 |
| b | Distillery | 1,645 | 2,207 | 1,624 | 1,645 | 1,624 | 1,980 |
| c | Unallocable | 766 | 733 | 774 | 766 | 774 | 760 |
| | Total | 13,637 | 10,816 | 24,409 | 13,637 | 24,409 | 39,129 |

Notes to Accounts:

- The above unaudited consolidated financial results for the quarter and nine months ended December 31, 2025 were reviewed and recommended for adoption by Audit Committee and thereafter approved by the Board of Directors at the meetings held on February 10, 2026. The Statutory auditors have carried out a limited review of the above financial results.
- The above financial results have been prepared in accordance with Indian Accounting Standard ('Ind AS') referred to in the Companies (Indian Accounting Standard) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- K M Spirits and Allied Industries Limited, wholly owned subsidiary, is yet to commence the operations and income/expenses remains negligible, accordingly, the figures of the consolidated financial results and standalone financial results are almost same.
- On November 21, 2025 the Government of India notified four labour codes ('New Labour Codes') consolidating 29 existing labour laws. The Group has assessed the impact and is of the view that the same is not expected to have any material financial impact. The Group continues to monitor the developing regulatory scenario, including finalisation of Central/ State Rules and clarifications from the Government on other aspects of labour codes. The accounting effect of such development any, would be appropriately considered.
- The Group has received insurance claim of 15MW turbine and the net amount Rs.684 lakhs has been accounted under head other income during the quarter ended on December 31, 2025.
- Sugar being seasonal industry, the performance of the Company varies from quarter to quarter and the results for the quarter as such may not representative of the annual performance of the Company.
- Previous period figures have been regrouped /rearranged, wherever considered necessary, to make them comparable with the current period.

Place: Lucknow
Date: 10.02.2026



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



Aditya Jhunjhunwala
Managing Director
DIN: 01686189

SAURABH GUPTA & Co.

CHARTERED ACCOUNTANTS

50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-3562561



Independent Auditor's Limited Review Report on the unaudited standalone quarterly financial results of K M SPIRITS AND ALLIED INDUSUTRIES LIMITED pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, for the nine months ended December 31, 2025.

To The Board of Directors of K M SPIRITS AND ALLIED INDUSUTRIES LIMITED

1. We have reviewed the accompanying statement of unaudited standalone financial results of K M SPIRITS AND ALLIED INDUSUTRIES LIMITED. (the 'Company'), for the nine months ended December 31, 2025, 2025 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the "Listing Regulations"), as amended to date, which has been initialed by us for identification purpose.
2. This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed u/s 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedure performed as stated in Paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified u/s 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circular, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Saurabh Gupta & Co.

Chartered Accountants

ICAI Firm Registration Number: 010542C

Saurabh Gupta
Proprietor

M.No:400057

UDIN:

Date: 31st January, 2026

Place :Lucknow

UDIN- 26400057ZFN1H S4277



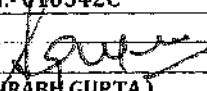
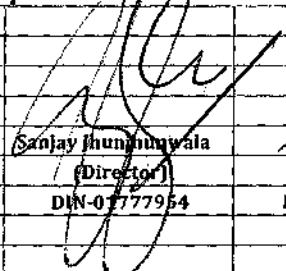
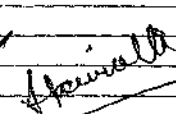
K M Spirits and Allied Industries Limited

CIN: U15100UP2018PLC101321

Regd. Office:-76, Eldeco Greens, Gomti Nagar, Lucknow-226010

CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561; Mail id- kmspirits76@gmail.com

Balance Sheet as at 31st Dec, 2025

| | | (Rs. in lacs) | | |
|-----------|---|---------------|--|---|
| | Particulars | Note No. | As at 31st Dec,2025 | As at 31st Dec,2024 |
| I | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | | - | |
| | (b) Capital work-in-progress | | - | |
| | (c) Other Financial Assets | 1 | - | 4.62 |
| | | | - | 4.62 |
| 2 | Current assets | | | |
| | (a) Financial assets | | | |
| | (i) Trade and other receivables | 2 | - | - |
| | (ii) Cash and cash equivalents | 3 | 0.60 | 0.80 |
| | (b) Other current assets | 4 | 5.13 | - |
| | (c) Other assets | | - | - |
| | | | 5.73 | 0.80 |
| | Total Assets | | 5.73 | 5.42 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | EQUITY | | | |
| | (a) Equity Share Capital | 5 | 5.00 | 5.00 |
| | (b) Other Equity | 6 | 0.35 | 0.36 |
| | | | 5.35 | 5.36 |
| | LIABILITIES | | | |
| 2 | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowing | | | |
| | (ii) Other financial liabilities | | | |
| | (b) Other non current liabilities | | | |
| | (c) Deferred tax liabilities (net) | | | |
| | (d) Provisions | | | |
| | | | - | - |
| 3 | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Trade payables and other payables | 7 | 0.38 | 0.06 |
| | (b) Other current liabilities - Provision for taxation | 8 | - | - |
| | | | 0.38 | 0.06 |
| | Total Equity and Liabilities | | 5.73 | 5.42 |
| | Corporate Information | | | |
| | Significant Accounting Policies | | | |
| | Other disclosures | | | |
| | The accompanying notes 1 to 14 are an integral part of the financial statements | | | |
| | AUDITOR'S REPORT | | FOR AND ON BEHALF OF THE BOARD OF DIRECTORS | |
| | SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE. | | K M Spirits and Allied Industries Limited | |
| | For Saurabh Gupta & Co., | | | |
| | Chartered Accountants | | | |
| | FRN.- 010542C | | | |
| |  | |  |  |
| | (SAURABH GUPTA) | | Sanjay Bhunbhunwala | Hari Nath |
| | Proprietor | | (Director) | (Director) |
| | M. NO. :400057 | | DIN-07777954 | DIN-06804331 |
| | PLACE: LUCKNOW | | | |
| | DATED: 31.01.2026 | | | |
| | UDIN- 26400057ZFN14S4-277 | | | |

K M Spirits and Allied Industries Limited

CIN: U15100UP2018PLC101321

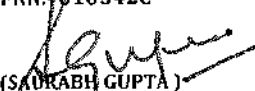
Statement of Profit and Loss from 01-04-2025 to 31-12-2025

(Rs. in lacs)

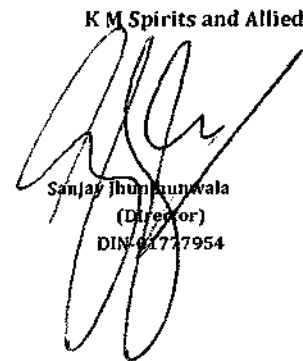
| | Particulars | Note No | Period Ended 31st Dec,2025 | Period Ended 31st Dec,2024 |
|------|--|---------|-------------------------------|-------------------------------|
| I | Revenue From Operations | | | |
| II | Other Income | 9 | 0.23 | 0.22 |
| III | Total Income (I+II) | | 0.23 | 0.22 |
| IV | EXPENSES | | | |
| | Other expenses | 10 | 0.20 | 0.03 |
| | Total expenses | | 0.20 | 0.03 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | | 0.03 | 0.19 |
| VI | Exceptional Items | | - | - |
| VII | Profit/(loss) before tax (V-VI) | | 0.03 | 0.19 |
| VIII | Tax expense: | | | |
| | Current tax | | - | - |
| | MAT Credit entitlement | | - | - |
| | Deferred tax | | - | - |
| IX | Profit (Loss) for the period (VII-VIII) | | 0.03 | 0.19 |
| XI | Other Comprehensive Income | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | (Gain) / Loss arising on actuarial valuation arising on defined benefit obligation | | | |
| | (Gain) / Loss arising on fair valuation of equity instrument | | | |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| XII | Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period) | | 0.03 | 0.19 |
| XIII | Earnings per equity share | | | |
| | (1) Basic | | 0.06 | 0.38 |
| | (2) Diluted | | 0.06 | 0.38 |


Corporate Information-
 Significant Accounting Policies -
 Other Disclosures -
 The accompanying notes 1 to 14 are an integral part of the financial statements
 As per our report of even date attached

AUDITOR'S REPORT
 SIGNED IN TERMS OF OUR SEPARATE
 REPORT OF EVEN DATE.
 For Saurabh Gupta & Co.,
 Chartered Accountants
 FRN: 010542C


 (SAURABH GUPTA)
 Proprietor
 M. NO. :400057
 PLACE: LUCKNOW
 DATED: 31.01.2026

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
 K M Spirits and Allied Industries Limited


 Sanjay Jhunjhunwala
 (Director)
 DIN-0177954


 Hari Nath
 (Director)
 DIN-06804331

(Amount in Rs.)

| | | 31st Dec,2025 | 31st Dec,2024 |
|--------|---|---------------|---------------|
| Note 1 | Non Currents Assets | | |
| | Other Financial Assets | | |
| | FDR No-39385077272 (maturity period more than 12 months) | - | 4.45 |
| | Accrued Interest on FDR | - | 0.17 |
| | Total | <u>-</u> | <u>4.62</u> |

| | | Current | Non current | Current | Non current |
|-------------|---|----------|-------------|----------|-------------|
| Note 2 | Current Assets | | | | |
| | Trade Receivables- considered good below six months | - | - | - | - |
| | Capital advances | | | | |
| | Advance to suppliers | - | - | - | - |
| | Considered Good | | | | |
| | Considered doubtful | | | | |
| | Less: Allowance for doubtful advance | | | | |
| | Others | | | | |
| | Duties and Taxes Paid under protest | | | | |
| | Others | | | | |
| | Deferred Rent | | | | |
| Upright fee | | | | | |
| | Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| | | 31st Dec,2025 | 31st Dec,2024 |
|--------|----------------------------------|---------------|---------------|
| Note 3 | CASH AND CASH EQUIVALENT | | |
| | Balances with Banks | | |
| | In current Account SBI (Lucknow) | 0.60 | 0.80 |
| | Total | <u>0.60</u> | <u>0.80</u> |

| | | | |
|--------|---|-------------|----------|
| Note 4 | Other Current Assets | | |
| | FDR No-39385077272 (maturity period less than 12 months) | 4.45 | - |
| | FDR No44409358375 maturity period less than 12 months) | 0.50 | - |
| | Accrued Interest on FDR | 0.18 | - |
| | Total | <u>5.13</u> | <u>-</u> |

| | | No. of shares | Amount | No. of shares | Amount |
|--------|---------------------------------------|---------------|----------|---------------|----------|
| Note 5 | Share Capital | | | | |
| | AUTHORISED | | | | |
| | Equity Share Capital | | | | |
| | Equity Shares of Rs. 10/- each | 50,000 | 5 | 50,000 | 5 |
| | Total | <u>50,000</u> | <u>5</u> | <u>50,000</u> | <u>5</u> |
| | Issued capital | | | | |
| | Equity Share Capital | | | | |
| | Equity Shares of Rs. 10/- each | 50,000 | 5 | 50,000 | 5 |
| | Total | <u>50,000</u> | <u>5</u> | <u>50,000</u> | <u>5</u> |
| | Subscribed and paid up capital | | | | |
| | Equity Share Capital | | | | |
| | Equity Shares of Rs. 10/- each | 50,000 | 5 | 50,000 | 5 |
| | Total | <u>50,000</u> | <u>5</u> | <u>50,000</u> | <u>5</u> |

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 |
|---|---------------|----------|---------------|----------|
| Shares outstanding at the beginning of the year | - | - | - | - |
| Shares issued during the year | 50,000 | 5 | 50,000 | 5 |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | <u>50,000</u> | <u>5</u> | <u>50,000</u> | <u>5</u> |

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 10/- 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 Shareholding of Promoters in the Company

| Particulars | 31st Dec,2025 | | | 31st Dec,2024 | |
|-------------|--------------------|-----------------------------|--------------------------|--------------------|-----------------------------|
| | No. of Shares held | Percentage of share holding | % Change during the Year | No. of Shares held | Percentage of share holding |
| | | | | | |

(Amount in Rs.)

| | 31st Dec, 2025 | | 31st Dec, 2024 | | |
|---|----------------|--------|----------------|--------|--------|
| Equity shares of INR 10/- each fully paid up M/s K M Sugar Mills Limited (Including Nominee Shareholders) | 50,000 | 100.00 | - | 50,000 | 100.00 |

Note 6 Other Equity

Surplus/(Deficit) in Statement of Profit & Loss
Balance as per last account
Add: Profit/(Loss) for the current year
Closing balance

| | | |
|--------------|-------------|-------------|
| | 0.32 | 0.17 |
| | 0.03 | 0.19 |
| TOTAL | <u>0.35</u> | <u>0.36</u> |

Note 8 Other Current liabilities

Statutory liabilities
Provision for Tax

| | | |
|--------------|----------|----------|
| | - | - |
| Total | <u>-</u> | <u>-</u> |

Note No. 7

| | As at 31.12.2025 (₹ In Lacs) | As at 31.12.2024 (₹ In Lacs) |
|---|----------------------------------|----------------------------------|
| Trade Payables | | |
| Total outstanding dues of micro enterprises and small enterprises* | - | - |
| Total outstanding due to creditors other than micro enterprises and small enterprises | 0.38 | 0.06 |
| | 0.38 | 0.06 |

Trade payables ageing schedule

| Particulars | As at 31.12.2025 (₹ In Lacs) | | | | | As at 31.12.2024 (₹ In Lacs) | | | | |
|----------------------------|--|-----------|-----------|-------------------|-------|--|-----------|-----------|-------------------|-------|
| | Outstanding for following periods from due date of payment | | | | | Outstanding for following periods from due date of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - | - | - | - | - | - |
| (ii) Others | 0.38 | - | - | - | 0.38 | 0.06 | - | - | - | 0.06 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - | - | - | - | - |
| (iv) Disputed Dues others | - | - | - | - | - | - | - | - | - | - |

K M SPIRITS & ALLIED INDUSTRIES LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

| | <u>31st Dec.25</u> <i>(Rs. in lacs)</i> | <u>31st Dec.24</u> <i>(Rs. in lacs)</i> |
|--------------------------------------|--|--|
| Note 9 <u>Other Income</u> | - | - |
| Interest on Deposit with bank | 0.23 | 0.22 |
| Excess Provision Written Back | - | 0.00 |
| | . | - |
| Total | <u>0.23</u> | <u>0.22</u> |
| | | |
| Note 10 <u>Other Expenses</u> | | |
| Filing Fee | 0.01 | 0.02 |
| Professional Charges | 0.09 | - |
| Audit fee | - | - |
| Printing and Stationery Exp | 0.09 | - |
| Income Tax paid | 0.01 | 0.01 |
| Total | <u>0.20</u> | <u>0.03</u> |

19.

DCS/AMAL/BW/R37/4004/2025-26

January 13, 2026

To,
 The Company Secretary,
K M Sugar Mills Limited
 11, Moti Bhavan, Collectorganj,
 Kanpur - 208001, Uttar Pradesh.

Dear Sir/Madam,

Sub: Scheme of Arrangement for Demerger between K M Sugar Mills Limited ("Demerged Company"/"KM Sugar") and K M Spirits and Allied Industries Limited ("Resulting Company"/"KM Spirit") and their respective shareholders and creditors under Section 230-232 of the Companies Act, 2013.

We refer to your application for Scheme of Arrangement among K M Sugar Mills Limited ("Demerged Company"/"KM Sugar") and K M Spirits and Allied Industries Limited ("Resulting Company"/"KM Spirit") and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013, and rules made thereunder filed with the Exchange under Regulation 37 of SEBI (LODR) Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Reg. 94(2) of SEBI (LODR) Regulations, 2015.

In this regard, SEBI vide its letter dated November 24, 2025, has *inter-alia* given the following comment(s) on the said scheme of Arrangement:

1. "The entity shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
2. "The entity shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the website(s) of the listed company and the stock exchanges."
3. "The entity shall ensure compliance with the SEBI circulars issued from time to time."
4. "The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company."

TS

5. "The entity is advised that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
6. "The entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
7. "The entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."
8. "The entity is advised that, the companies to disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013-
 - a. Need for the demerger, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme.
 - b. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.
 - c. Basis for arriving at the share swap ratio.
 - d. Pre and Post scheme shareholding of KM Sugar and KM Spirits as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.
 - e. Capital built-up of KM Sugar and KM Spirits since incorporation and last 3 years.
 - f. Details of Revenue, PAT and EBIDTA of KM Sugar and KM Spirits for last 3 years.
 - g. Value of Assets and liabilities of KM Sugar that are being transferred to KM Spirits and post-demerger balance sheet of KM Spirits.
 - h. Details of demerged undertaking of KM Sugar and their value as per the audited balance sheet that is being demerged into KM Spirits.
 - i. Details of potential benefits and risks associated with the demerger.
 - j. Financial implication of demerger on Promoters, Public Shareholders and the companies involved in the scheme along with future growth prospects of KM Sugar and KM Spirits pursuant to demerger.
 - k. Disclose all pending actions against the entities involved in the scheme its promoters/directors/KMPs and possible impact of the same on the KM Spirits and on the public shareholders.

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9. "The entity shall ensure that applicable additional information, if any to be submitted to SEBI along with draft scheme of arrangement as advised by email dated January 13, 2026, shall form part of disclosures to the shareholders."
10. "The entity is advised that, the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only."
11. "The entity is advised that, the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
12. "No changes to the draft scheme except those mandated by the regulators/authorities/tribunals shall be made without specific written consent of SEBI."
13. "The entity is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."
14. "The entity is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
15. "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."
16. "The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same."

Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

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Please note that the submission of documents/information, in accordance with the circular to SEBI/Exchange should not in any way be deemed or construed that the same has been cleared

or approved by SEBI / Exchange. SEBI/Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

However, the listing of equity shares of K M Spirits and Allied Industries Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, K M Spirits and Allied Industries Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange. The Companies shall fulfil the Exchange's criteria for listing the securities of such Companies and also comply with other applicable statutory requirements. However, the listing of shares of K M Spirits and Allied Industries Limited is at the discretion of the Exchange. In addition to the above, the listing of K M Spirits and Allied Industries Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about K M Spirits and Allied Industries Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of K M Spirits and Allied Industries Limited in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about of K M Spirits and Allied Industries Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - "There shall be no change in the shareholding pattern of K M Spirits and Allied Industries Limited between the record date and the listing which may affect the status of this approval."

TS

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013, (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act, 2013, as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act, 2013, seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019, issued to the Company.

Yours faithfully,



Marian Dsouza
Assistant Vice President



Bhakti Wankhede
Deputy Manager

TS

Ref: NSE/LIST/ 50518

January 12, 2026

The Company Secretary
K.M. Sugar Mills Limited

Dear Madam/ Sir,

Sub: Observation Letter for draft scheme of arrangement for demerger between K M Sugar Mills Limited (“Demerged Company/KMSM”) and K M Spirits and Allied Industries Limited (“Resulting Company/KMSAIL”) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013.

We are in receipt for captioned draft Scheme of amalgamation filed by K.M.Sugar Mills Limited.

Based on our letter reference no. NSE/LIST/50518 dated October 07, 2025, submitted to SEBI pursuant to SEBI Master Circular No - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI vide its letter dated November 24, 2025, has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company.*
- c) *The Company shall ensure compliance with the SEBI circulars issued from time to time.*
- d) *The Company shall ensure that the entities involved in the Scheme shall duly comply with various provisions of the Circular and also ensure that all the liabilities of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company.*
- e) *The Company shall ensure that all the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- f) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

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Signer: SAILI MOHAN KAMBLE
Date: Mon, Jan 12, 2026 18:09:03 IST
Location: NSE

Non-Confidential

Ref: NSE/LIST/50518

January 12, 2026

- g) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*
- h) *The Company shall ensure to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013:*
- *Need for the demerger, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
 - *Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.*
 - *Basis for arriving at the share swap ratio.*
 - *Pre and Post scheme shareholding of KM Sugar and KM Spirits as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.*
 - *Capital built-up of KM Sugar and KM Spirits since incorporation and last 3 years.*
 - *Details of Revenue, PAT and EBIDTA of KM sugar and KM spirits for last 3 years.*
 - *Value of Assets and liabilities of KM Sugar that are being transferred to KM Spirits and post-demerger balance sheet of KM Spirits.*
 - *Details of demerged undertaking of KM Sugar and their value as per the audited balance sheet is being demerged into KM Spirits.*
 - *Details of potential benefits and risks associated with the demerger.*
 - *Financial implication of demerger on Promoters, Public Shareholders and the companies involved in the scheme along with future growth prospects of KM Sugar and KM Spirits pursuant to demerger.*
 - *Disclose all pending actions against the entities involved in the scheme its promoters/directors/KMPs and possible impact of the same on the KM Spirits and on the public shareholders.*
- i) *The Companies shall ensure that all the applicable additional information, if any, shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*
- j) *The Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- k) *The Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

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Signer: SAILI MOHAN KAMBLE
Date: Mon, Jan 12, 2026 18:09:03 IST
Location: NSE

Ref: NSE/LIST/50518

January 12, 2026

- l) The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*
- m) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT, and the Company is obliged to bring the observations to the notice of NCLT.*
- n) The Company shall ensure to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- o) It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*
- p) The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange on its website within 24 hours of receiving the same.*
- q) Please note that the submission of documents/information, in accordance with the Circular to SEBI, should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

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January 12, 2026

The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of 'K M Spirits and Allied Industries Limited' is at the discretion of the Exchange.

The listing of 'K M Spirits and Allied Industries Limited' pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about K M Spirits and Allied Industries Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

"The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of K M Spirits and Allied Industries Limited, its promoters, its management etc."

2. To publish an advertisement in the newspapers containing all the information of K M Spirits and Allied Industries Limited in line with the details required as per SEBI Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about K M Spirits and Allied Industries Limited to NSE on continuous basis to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries
4. The following provision shall be incorporated in the scheme:
 - a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - b) "There shall be no change in the shareholding pattern or control in K M Spirits and Allied Industries Limited between the record date and the listing which may affect the status of this approval."

With reference to Part II (A) (5) of SEBI Master Circular dated June 20, 2023, K M Spirits and Allied Industries Limited shall ensure that steps for listing of specified securities are completed and trading in securities commences within sixty days of receipt of the order of the Hon'ble High Court/NCLT, simultaneously on all the stock exchanges where the equity shares of the listed entity (or transfer entity) are/were listed. Accordingly, the company must initiate necessary steps to ensure strict adherence to said timeline.

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Ref: NSE/LIST/50518

January 12, 2026

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The Listed entities involved in the proposed Scheme shall disclose the No-Objection Letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

The validity of this "Observation Letter" shall be six months from January 12, 2026, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37/59(A) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: SAILI MOHAN KAMBLE
Date: Mon, Jan 12, 2026 18:09:03 IST
Location: NSE



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
 Phone : 7571000692, Email : director@kmsugar.com
 CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

Complaints Report

Period: From 28th August, 2025 to 19th September, 2025

Part A

| Sr. No. | Particulars | Number |
|---------|--|--------|
| 1. | Number of complaints received directly | 0 |
| 2. | Number of complaints forwarded by Stock Exchange | 0 |
| 3. | Total Number of complaints/comments received (1+2) | 0 |
| 4. | Number of complaints resolved | 0 |
| 5. | Number of complaints pending | 0 |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/P ending) | Brief Details of the Complaint |
|---------|---------------------|-------------------|----------------------------|--------------------------------|
| 1. | 0 | 0 | 0 | 0 |
| 2. | 0 | 0 | 0 | 0 |
| 3. | 0 | 0 | 0 | 0 |

For & on behalf of
 K M Sugar Mills Limited

Ritika Tandon

Ritika Tandon
 Company Secretary & Compliance Officer
 Membership No. - A32215



Place: Lucknow
 Date : September 19, 2025



K.M. Sugar Mills Ltd.

Factory & Works: P.O Motinagar - 224201, Dist. Ayodhya (U.P.)
Phone: 7571000692, Email: director@kmsugar.com
CIN No.: L15421UP1971PLC003492, GSTIN No.:09AAACK5545P1ZZ

To,
Manager - Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Dear Sir/Madam

Subject: Complaint Report in the matter of an application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the purpose of obtaining 'No-Objection Letter' for the draft Scheme of Arrangement for Demerger between K M Sugar Mills Limited ('Demerged Company'/'the Company') and K M Spirits and Allied Industries Limited ('Resulting Company') ("Scheme"/"Scheme of Arrangement"), under the provisions of Section 230 - 232 of the Companies Act, 2013

Ref.: Case No. 50518

Period: From 28th August, 2025 to 19th September, 2025

Part A

| Sr. No. | Particulars | Number |
|---------|--|--------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | Nil |
| 5. | Number of complaints pending | Nil |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) | Brief Details of the Complaint |
|---------|---------------------|-------------------|---------------------------|--------------------------------|
| 1. | Nil | Nil | NA | NA |
| 2. | Nil | Nil | NA | NA |
| 3. | Nil | Nil | NA | NA |

Yours faithfully,

For & on behalf of

For K M Sugar Mills Limited

Ritika Tandon

Company Secretary and Compliance Officer



Date: September 23, 2025

Place: Lucknow



April 17, 2026

Ref. No.: CPC/MB/0028/2026-27

To
The Board of Directors
KM Spirits and Allied Industries Limited
76, Eldeco Greens, Gomtinagar,
Lucknow, Uttar Pradesh-226010

Subject: Scheme of Arrangement for Demerger between K M Sugar Mills Limited (“Demerged Company”) and KM Spirits and Allied Industries Limited (“Resulting Company”/ “the Company)

Re: Due Diligence Certificate in adherence to SEBI’s Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, read with Part E of Schedule VI of SEBI (ICDR) Regulations, 2018

Dear Sir(s),

This is in reference to our engagement for providing Due Diligence Certificate (“Certificate”) on the accuracy and adequacy of the disclosures made in the Abridged Prospectus pertaining to KM Spirits and Allied Industries Limited as per the format provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 as amended from time to time, read with the SEBI’s Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

The Scheme, under Section 230-232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof), has been approved by the Board of Directors of the Resulting Company on August 07, 2025 and shall be made effective from the Appointed Date i.e., April 01, 2026 or any such date approved by the Hon’ble National Company Law Tribunal (or any other competent authority vested with the powers of the Hon’ble National Company Law Tribunal for the purpose of Sections 230 to 232 of the Companies Act, 2013) and shall be operative from the Effective Date in the manner provided in the Scheme.

The information contained herein, and our Certificate is intended only for the sole use of captioned purpose of obtaining requisite approvals as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the SEBI Circulars.

SCOPE AND LIMITATIONS:

- This Certificate is for a specific purpose and is issued in terms of and in compliance with the SEBI Circulars and hence should not be used for any other purpose or transaction.
- Our due diligence and result are specific to the date of this Certificate and based on information as at April 16, 2026. Further, we have no responsibility to update this Certificate on the circumstances or events after the date hereof.
- We have relied upon the financials and the information and representations furnished to us by the management of the Company and the information available in public domain and have not carried out any audit of such information. Our work does not constitute audit of financials including working results of the Company and accordingly, we are unable to and do not express an opinion on the fairness of any financial information referred to in the Abridged Prospectus.
- This Certificate is issued on the undertaking that the Company has drawn our attention to all the matters, which it was aware of concerning inter-alia its financial position, business, and any other matter, which may have an impact on our Certificate, including any material risk concerning the Company or likely to take place in the financial position of the Company or its business.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of reliance on the information set out here in this Certificate.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION:

In the circumstances, having regard to all relevant factors, on the basis of information and explanations given to us and on the basis of due diligence conducted by us, we certify as on the date hereof, that the disclosures made in the Abridged Prospectus dated April 16, 2026 is in conformity with the relevant documents, materials and other papers related to the Company and are fair, accurate and adequate, in terms of the SEBI Circulars.

Yours Faithfully,

For and on behalf of **Corporate Professionals Capital Private Limited**



Ruchika Sharma

Associate Partner – Investment Banking and M&A





THIS ABRIDGED PROSPECTUS HAS BEEN PREPARED SOLELY AS PER THE REQUIREMENTS OF THE SEBI MASTER CIRCULAR NO.SEBI/HO/CFD/POD-2/P/CIR/2023/93DATED JUNE 20, 2023 IN TERMS OF THE FORMAT PROVIDED IN PART E OF SCHEDULE VI OF THE SEBI ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS (ICDR) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME, IN CONNECTION WITH THE SCHEME OF ARRANGEMENT FOR DEMERGER BETWEEN K M SUGAR MILLS LIMITED (“DEMERGED COMPANY”) AND KM SPIRITS AND ALLIED INDUSTRIES LIMITED (“RESULTING COMPANY”/ “THE COMPANY”)AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (“SCHEME”) UNDER SECTION 230 – 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (“THE ACT”).

THIS DOCUMENT SHOULD BE READ TOGETHER WITH THE SCHEME APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY ON AUGUST07, 2025, AND THE NOTICE AND EXPLANATORY STATEMENT SENT TO THE SHAREHOLDERS AND UNSECURED CREDITORS OF THE DEMERGED COMPANY. THIS ABRIDGED PROSPECTUS DOES NOT PURPORT TO INCLUDE THE COMPLETE INFORMATION OF THE COMPANY INCLUDING ITS BUSINESS, OPERATIONS, ASSETS, AND LIABILITIES. THIS ABRIDGED PROSPECTUS SHOULD NOT BE CONSIDERED AS AN INVITATION OR AN OFFER OF ANY SECURITIES BY OR ON BEHALF OF THE COMPANY.

YOU MAY DOWNLOAD THE ABRIDGED PROSPECTUS ALONG WITH THE SCHEME AND OTHER RELEVANT DOCUMENTS FROM THE WEBSITE OF THE DEMERGED COMPANY AT WWW.KMSUGAR.COM, BSE LIMITED (“BSE”) WWW.BSEINDIA.COM AND THE NATIONAL STOCK EXCHANGE OF INDIA (“NSE”) WWW.NSEINDIA.COM (HEREINAFTER BSE AND NSE COLLECTIVELY REFERRED AS “STOCK EXCHANGES”) WHERE THE EQUITY SHARES OF THE DEMERGED COMPANY ARE LISTED.

THIS ABRIDGED PROSPECTUS CONSISTS OF 7 PAGES.PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

KM SPIRITS AND ALLIED INDUSTRIES LIMITED
CIN:U15100UP2018PLC101321; **Date of Incorporation:** 23rd February 2018

| Registered Office | Corporate Office | Contact Person | Telephone and E-mail | Website |
|---|------------------|----------------------------|---|--|
| 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh-226010 | Not Applicable | Mr. Sanjay Jhunjhunwala | Telephone: 0522-4079561 0522-3515684, Email: kmspirits76@gmail.com | www.kmspirit.com |

1. Summary of the primary business:

K M Spirits and Allied Industries Limited (‘Resulting Company’/‘the Company’) is a wholly owned subsidiary of the Demerged Company. In terms of the MOA of the Company, it is into the business of manufacturing, packaging, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA), other alcoholic beverages. Further, the Company is also permitted the company to carry on the business in the field of energy and related consultancy services.However, the Resulting Company has not yet commenced its business operations. The proposed scheme involves the transfer of the Distillery Division (“Demerged Undertaking”) of the Demerged Company to the Resulting Company.

a) **Business Overview-Products and Services**

The Company will commence its business operations of Distillery business involving manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA) pursuant to the

effectiveness of the Scheme of Arrangement of Demerger between Demerged Company and Resulting Company and their respective shareholders and creditors.

b) Industries Served and Typical Customers

The Company is currently not carrying any business operations.

c) Segment Reporting and Revenue Contribution

The Company is currently not carrying any business operations. Upon the effectiveness of the Scheme, the Company would be engaged in the business of manufacturing, packaging, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA), and other alcoholic beverages. Accordingly, the segment reporting and revenue contribution of the Company shall be aligned with the aforesaid business activities.

d) Key Geographies

The Company is currently not carrying any business operations. Accordingly, there are no geographies currently being served. Post the effectiveness of the Scheme, the Company proposes to operate in domestic and international markets, in line with the business strategy of the Demerged Undertaking.

e) Revenue concentration among the top5 customers

The Company is currently not carrying any business operations.

f) Key manufacturing or other facilities

The Company shall commence the business operations pursuant to the proposed Demerger. The Company is currently not carrying any business operations. Upon the effectiveness of the Scheme, the manufacturing plant pertaining to the Distillery Division (forming part of the Demerged Undertaking) shall be transferred to and constitute the manufacturing plant of the Resulting Company.

g) Business Strengths and Strategies

Strengths

Our Company has been incorporated with the objective of carrying out the business of manufacturing, packaging, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA), and other alcoholic beverages. Pursuant to the proposed Demerger, the operational Distillery Division (Demerged Undertaking) of the Demerged Company shall be transferred to the Resulting Company, thereby providing it with an established and operational business base. The business benefits from existing manufacturing infrastructure, an established customer base and operational experience in the distillery segment.

Strategies

The Company aims to strengthen its position in the distillery segment by focusing on capacity utilization, operational efficiency and product diversification across Rectified Spirit, Ethanol, Country Liquor and ENA. It intends to leverage existing customer relationships, the expertise of the management team, the operational efficiencies of the Demerged Undertaking to ensure growth and continuity and explore new market opportunities, while enhancing distribution and optimizing resources to drive growth and improve margins.

2. Summary of the Industry

The Indian distillery sector, forming part of the broader food processing industry, is closely linked to agriculture, particularly sugarcane and grain production, and plays a dual role in supplying ethanol for fuel blending and alcohol for industrial and potable use. The sector is witnessing strong growth driven by rising alcohol consumption, increasing industrial demand, and, most significantly, the Government of India's push towards achieving 20% ethanol blending, which has led to greater diversion of molasses and surplus grains towards ethanol production. India's abundant raw material base and supportive policy framework provide a competitive advantage, while ongoing capacity expansions, integration with sugar operations, and a shift towards grain-based distillation are reshaping the industry. Additionally, increasing export potential of alcoholic beverages and alignment with clean energy goals position the distillery sector as a key contributor to both economic growth and energy sustainability, despite challenges such as regulatory complexities and feedstock price volatility.

3. Promoters of our Company

| Sr. No. | Name | Individual/ Corporate | Experience and Educational Qualification/ Corporate Information |
|---------|--|-----------------------|--|
| 1. | KM Sugar Mills Limited* PAN: AAACK5545P | Corporate | K M Sugar Mills Limited was incorporated on 17 th December, 1971 under the provisions of Companies Act, 1956. The Company is engaged in the business of manufacturing and selling sugar and other business including the running of a bagasse-based cogeneration power plant ('Sugar Manufacturing Division') and Distillery business, manufacturing, selling and distribution of Rectified Spirit and Ethanol, Country Liquor and Extra Neutral Alcohol (ENA). |

*Note: *The Company is a wholly-owned subsidiary of KM Sugar Mills Limited, which, along with its six nominee shareholders, holds 100% of the share capital of the Company.*

4. Objects of the Issue / Detail of the Scheme

The Scheme proposes:

- (a) The demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company as a going concern, and issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company, on the basis of the Share Entitlement Ratio (as provided in the Scheme); and
- (b) Various other matters incidental thereto.

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and (2) Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

1. Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
2. Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well-positioned to pursue its own strategic and operational priorities as a separate entity.
3. The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (as defined hereinafter) carried out by the Demerged Company. Further, the way the Distillery Division is required to be handled and managed is not similar to that of the Remaining Business.
4. In order to provide enhanced focus on the operations of the Demerged Undertaking, the Companies have proposed to segregate and organise the Distillery Division as a separate entity. Therefore, the Scheme is being proposed to demerge the Distillery Division of the Demerged Company into the Resulting Company, which is expected to yield the following benefits:
 - i. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhanced operational efficiency.
 - ii. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
 - iii. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the

Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.

- iv. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.
- v. The Resulting Company will be better positioned to align its resources, talent, marketing strategies and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
- vi. The demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
- vii. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.

5. Pre-Scheme and Post-Scheme shareholding**

| S. No. | Pre- Scheme shareholding | | | Post- Scheme shareholding (Proposed) | |
|---|--|-------------------------|---------------------|--------------------------------------|---------------------|
| | Name of the Shareholders | Number of Equity Shares | Shareholding (in %) | Number of Equity Shares | Shareholding (in %) |
| Promoter (s) | | | | | |
| 1. | K M Sugar Mills Limited* | 49,994 | 99.99 | - | - |
| 2. | Lakshmi Kant Jhunjunwala# | 1* | 0.00 | 28,60,520 | 15.55 |
| 3. | Lakshmi Kant Dwarkadas HUF | - | - | 20,13,180 | 10.94 |
| 4. | Aditya Jhunjunwala | 1* | 0.00 | 10,57,848 | 5.75 |
| 5. | Sanjay Jhunjunwala | - | - | 498,920 | 2.71 |
| 6. | Hari Nath | 1* | 0.00 | - | - |
| 7. | Mohit Agarwal | 1* | 0.00 | - | - |
| Members of Promoter Group (who holds shares) | | | | | |
| 1. | Naina Jhunjunwala | 1* | 0.00 | 8,36,150 | 4.54 |
| 2. | Vatsal Jhunjunwala | - | - | 99,944 | 0.54 |
| 3. | Priti Jhunjunwala | 1* | 0.00 | - | - |
| 4. | Vridhi Trust | - | - | 37,756 | 0.21 |
| 5. | Shivam S Shorewala | - | - | 24,110 | 0.13 |
| 6. | Marvel Business Private Limited | - | - | 24,13,195 | 13.12 |
| 7. | K M Vyapar | - | - | 4,56,673 | 2.48 |
| 8. | Jhunjunwala Securities Private Limited | - | - | 1,00,000 | 0.54 |
| 9. | Francoise Commerce Private Limited | - | - | 4 | 0.00 |
| Public Shareholders | | | | | |
| 1. | Public Shareholders | - | - | 80,01,734 | 43.49 |
| Total | | 50,000 | 100.00 | 1,84,00,034 | 100.00 |

Notes: *The Company is a wholly-owned subsidiary of KM Sugar Mills Limited, which, along with its six nominee shareholders, holds 100% of the share capital of the Company.

**The above pre- and post-shareholding pattern is presented pursuant to the proposed Scheme of Arrangement and is based on data as at March 31, 2026.

#Mr. Lakshmi Kant Jhunjhunwala, one of the Promoters of the Company, has demised, and the shares held by him are currently under transmission.

6. Summary of Financial Information

Standalone Financials:

(Amount in Crores)

| Particulars | Period ended December 31, 2025 ^{##} | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---------------------------------------|---|----------------|----------------|----------------|
| Share capital | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Net Worth | 0.0535 | 0.0531 | 0.0517 | 0.0502 |
| Revenue from Operations | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| EBITDA | 0.0003 | 0.0018 | 0.0019 | 0.0014 |
| Profit after tax | 0.0003 | 0.0014 | 0.0015 | 0.0011 |
| EPS(Basic) (Rs.) | 0.06 | 0.28 | 0.30 | 0.22 |
| EPS(Diluted) (Rs.) | 0.06 | 0.28 | 0.30 | 0.22 |
| Return on Networth (%) | 0.56 | 2.64 | 2.90 | 2.19 |
| Net Asset value per share (Rs.) | 10.70 | 10.62 | 10.34 | 10.04 |
| Total Borrowings | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Cash from Operating Activities | - | (0.0010) | 0.0003 | (0.0011) |
| Net Cash used Investing Activities | - | 0.0030 | 0.0000 | 0.0000 |
| Net Cash from in Financing Activities | - | 0.0000 | 0.0000 | 0.0000 |

Limited Reviewed Report

7. Summary of Key Performance Indicators

The Company is currently not carrying any business operations; therefore, no Key Performance Indicators are available at this stage. Post the effectiveness of the Scheme, the Company's performance is expected to be evaluated based on key financial and operational metrics, including production volumes, capacity utilization, sales volumes, revenue, EBITDA margins, realization per litre, and distribution reach, in line with the nature of its business of manufacturing and sale of Rectified Spirit, Ethanol, ENA and alcoholic beverages.

8. Risk Factors

Below are the risk factors:

- i. **Compliance Risk** – Any non-compliance with the regulatory laws of land may lead to penalties and fines.
- ii. **Regulatory Approval**– The proposed Scheme is subject to the approval of jurisdictional NCLT. If the proposed Scheme does not receive the requisite approvals, the objects and benefits mentioned in the proposed Scheme may not be achieved.
- iii. **Licensing Risk**– The distillery business is subject to extensive regulation under central, state, and local laws, including excise laws, pollution control norms, and licensing requirements. Any adverse change in government policies, excise duties, ethanol procurement programs, or delay/non-renewal of licenses may materially affect operations and profitability.
- iv. **Market Risk**– The performance of the distillery division is linked to demand for ethanol, rectified spirit and allied products, which can vary with market conditions, competition and government procurement programs.
- v. **Operational and Supply Chain Risks** - The Company may face risks from supply chain disruptions and the unavailability of key raw materials, which may impact production. Any manufacturing breakdown may lead to operational losses. Dependence on third-party vendors and inability to manage growth effectively may also adversely affect its business and profitability.

- vi. **Storage and Handling Risk** – Ethanol and alcohol products require specialized storage and handling due to their flammable nature. Any accident, leakage, or improper storage may lead to losses and liabilities.
- vii. **Capacity Utilization Risk** – The profitability of the distillery division is dependent on optimal utilization of installed capacity. Under-utilization due to raw material shortages, regulatory restrictions, or market conditions may adversely affect financial performance.
- viii. **Labour Risk** – The Company's operations are labor-intensive in nature. Any shortage of labour, industrial unrest, or increase in labour costs may adversely affect operations and profitability.
- ix. **Competition Risk** – The Company may face competition from other distilleries and alcohol manufacturers in the procurement of feedstock such as molasses and grains, as well as in the sale of ethanol, rectified spirit and allied products, which may impact its market share and margins.
- x. **Technological Risk** – Delays in upgrading manufacturing processes or adopting advanced technologies may impact operational efficiency and the Company's competitive position.

9. Details of weighted average cost of acquisition of Equity Shares of four Promoters

Not Applicable

10. Board of Directors and Key Managerial Personnel

The names and designation of members of the Board of Directors and Key Managerial Personnel are set forth below:

| Name | Designation |
|---------------------------------|-------------|
| Board of Directors | |
| Mr. Sanjay Jhunjunwala | Director |
| Mr. Hari Nath | Director |
| Mr. Aditya Jhunjunwala | Director |
| Key Managerial Personnel | |
| NIL | NIL |

11. Auditor Qualifications

The Statutory Auditors of our Company have not expressed any qualification, reservation, adverse remark, matter of emphasis, or other observation on our financial statements.

12. Summary of Outstanding Litigation claims and Regulatory Action

Total number of outstanding litigations against the Company and amount involved:

| Name of Entity | Criminal Proceedings | Tax Proceeding | Statutory or Regulatory Proceeding | Disciplinary actions by SEBI or Stock Exchange against our promoters | Material Civil Litigations | Aggregate amount involved (Rs. in crores) |
|--|----------------------|----------------|------------------------------------|--|----------------------------|---|
| <i>KM Spirits and Allied Industries Limited (Resulting Company)</i> | | | | | | |
| By the Company | NIL | NIL | NIL | NIL | NIL | NIL |
| Against the Company | NIL | NIL | NIL | NIL | NIL | NIL |
| <i>Directors</i> | | | | | | |
| By our Directors | NIL | NIL | NIL | NIL | NIL | NIL |
| Against the | NIL | NIL | NIL | NIL | NIL | NIL |

| | | | | | | |
|---|-----|-----|-----|-----|-----|-----|
| Directors | | | | | | |
| Promoters | | | | | | |
| By Promoters | NIL | NIL | NIL | NIL | NIL | NIL |
| Against Promoters | NIL | NIL | NIL | NIL | NIL | NIL |
| Subsidiaries – Resulting Company has no subsidiaries | | | | | | |

DECLARATION BY THE COMPANY

We hereby declare that all the relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the scheme is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this scheme are true and correct.

**For and on behalf of
KM Spirits and Allied Industries Limited**



Hari Nath
Director
DIN: 016804331
Add: 76-Eldeco Greens, Gomti Nagar, Lucknow-226010

Place: Lucknow
Date: 16.04.2026



Auditor's Certificate

To
The Board of Directors
K M SUGAR MILLS LIMITED
76, Eldeco Greens, Gomtinagar,
Lucknow, Uttar Pradesh – 226010

We, the statutory auditors of K M Sugar Mills Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 2 of Part-III of the Draft Scheme of Arrangement for Demerger of Distillery Division ("Demerged Undertaking") (as defined in the Scheme) of K M Sugar Mills Limited ("Demerged Company") into K M Spirits and Allied Industries Limited ("Resulting Company") ("Scheme"/ "Scheme of Arrangement") in terms of the provisions of sections 230 -232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 1956/ Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013.

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 for onward submission to BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India, Hon'ble National Company Law Tribunal and/or any other regulatory authorities in connection with the Draft



Scheme. This Certificate should not be used for any other purpose without our prior written consent.

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


CA/Sanjay K. Rai
Partner
Membership No.: 507946
UDIN: 25507946BMTCRD6281



Place: Lucknow
Date: August 07, 2025






AUDITOR'S CERTIFICATE

To
The Board of Directors
K M SPIRITS AND ALLIED INDUSTRIES LIMITED
76, Eldeco Greens, Gomtinagar,
Lucknow, Uttar Pradesh - 226010

We, the statutory auditors of K M Spirits and Allied Industries Limited ("Resulting Company"), refer our certificate dated August 07, 2025 pertaining to the Accounting treatment of the Draft Scheme of Arrangement for Demerger of Distillery Division ("Demerged Undertaking") (as defined in the Scheme) of K M Sugar Mills Limited ("Demerged Company") into K M Spirits and Allied Industries Limited ("Resulting Company") ("Scheme"/ "Scheme of Arrangement") as outlined in paragraph 3.2 of Part 3 of the said draft Scheme.

In reference to the same, it is clarified that there is no specific Indian Accounting Standard (Ind AS) prescribed for accounting treatment of a demerger transaction. Hence, the Demerged Company and the Resulting Company should follow the Generally Accepted Accounting Principles (GAAP), applying a consistent and rational approach as per the framework of Ind AS and other applicable guidance.

Accordingly, in the present case, the accounting treatment proposed to be adopted by the Demerged Company, as outlined in the draft Scheme, is in line with the Generally Accepted Accounting Principles. Further, the accounting treatment proposed to be adopted by the Resulting Company is in line with the principles laid down under Ind AS 103 - "Business Combinations," applying the Pooling of Interest Method as applicable to common control transactions, so as to ensure consistency and comparability of financial information.

The relevant extract of the draft Scheme and our certificate dated August 07, 2025, are annexed hereto as Annexure-01 and Annexure-02, respectively. For clarity, it is submitted that the reference to Clause 2 of Part III of the Scheme in our said certificate pertains to Paragraph 3.2 of Part 3 of the draft Scheme, as intended.

This certificate is issued for the limited corporate purpose of providing clarification on the applicable accounting treatment in respect of the proposed Scheme of Arrangement and should not be used, circulated, or relied upon for any other purpose without our prior written consent.

For Saurabh Gupta & Co. Chartered Accountants
ICAI Firm Registration Number: 010542C

Saurabh Gupta
Proprietor
Membership Number: 400057
UDIN: 25400057BMRARK4186



Place: Lucknow
Date: Nov. 6, 2025





50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-3562561

To
The Board of Directors
K M Sugar Mills Limited
76, Eldeco Greens, Gomtinagar, Lucknow,
Uttar Pradesh, India - 226010

NET WORTH CERTIFICATE

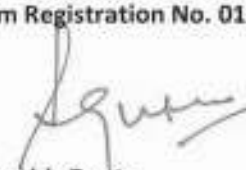
We, Saurabh Gupta & Co., Chartered Accountants engaged by K M Sugar Mills Limited (hereinafter referred as "Company" or "Demerged Company"), on the basis of the information and documents received from the Company, do hereby confirm as follows:

(Amount in Crores)

| Particulars | Pre-Arrangement (based on the Financials as on 31st December, 2025) | Post Arrangement (Proposed) |
|---|---|--------------------------------|
| Paid-up Capital: | | |
| Share Capital | 18.40 | 18.40 |
| Other Equity (excluding revaluation reserves) | 318.11 | 255.72 |
| Less: Accumulated Losses | - | - |
| Net Worth | 336.51 | 274.12 |

The Certificate is being issued at the request of the Company for onward submission to the Stock Exchange(s) and SEBI with a view to obtain the no-objection as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Saurabh Gupta & Co.
Chartered Accountants
Firm Registration No. 010542C


Saurabh Gupta
Proprietor
Membership Number: 400057
UDIN:26400057NNYXNA3461
Place: Lucknow
Date:01.04.2026



To
The Board of Directors
K M Spirits and Allied Industries Limited
76, Eldeco Greens, Gominagar, Lucknow,
Uttar Pradesh, India - 226010

NET WORTH CERTIFICATE

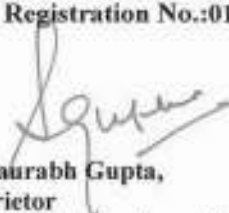
We, Saurabh Gupta & Co., the Statutory Auditors of **K M Spirit and Allied Industries Limited** (hereinafter referred as "Company" or "Resulting Company"), on the basis of the information and documents received from the Company, do hereby confirm as follows:

(Amount in Crores)

| Particulars | Pre-Arrangement (based on the Financials as on 31 st December, 2025) | Post Arrangement (Proposed) |
|---|--|--------------------------------|
| Paid-up Capital: | | |
| Share Capital | 0.050 | 18.40 |
| Other Equity (excluding revaluation reserves) | 0.004 | 43.99 |
| Less: Accumulated Losses | - | - |
| Net Worth | 0.054 | 62.39 |

The Certificate is being issued at the request of the Company for onward submission to the Stock Exchange(s) and SEBI with a view to obtain the no-objection as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Saurabh Gupta & Co.,
Firm Registration No.:010542C


CA Saurabh Gupta,
Proprietor
Membership Number: 400057
UDIN: 26400057PQMMSR2040



Place: Lucknow
Date: April 01,2026



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
 Phone : 7571000692, Email : director@kmsugar.com
 CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

Additional Requirements

Part-A

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|--|-------------------------|---------|------------------------------|
| 1. | Apportionment of losses of the listed company among the companies involved in the scheme. | No | NA | NA |
| 2. | Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA). | Yes | - | Annexure-25 |
| 3. | Any type of arrangement or agreement between the demerged company/resulting company/merged/amalgamated company/creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity. | No | NA | NA |
| 4. | In the cases of capital reduction/ reorganization of capital of the Company, reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA. | NA | NA | NA |
| 5. | In the cases of capital reduction/ reorganization of capital of the Company, built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA. | NA | NA | NA |
| 6. | In the cases of capital reduction/ reorganization of capital of the Company, nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA. | NA | NA | NA |
| 7. | In the cases of capital reduction/ reorganization of capital of the Company, the built up of the accumulated losses over the years, certified by CA. | NA | NA | NA |

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|--|-------------------------|--|------------------------------|
| 8. | Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA. | Yes | - | Annexure-9 |
| 9. | In case of Composite Scheme, details of shareholding of companies involved in the scheme at each stage, in case of composite scheme. | NA | NA | NA |
| 10. | Whether the Board of the company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof. | No | NA | NA |
| 11. | List of comparable companies considered for comparable companies' multiple method. | NA | Since the present Scheme of Arrangement for Demerger is between a Holding Company and its Wholly owned subsidiary, a Share Entitlement Report has been obtained. | NA |
| 12. | Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA. | Yes | - | Annexure-24 A |
| 13. | Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme. Further, kindly confirm its impact on the scheme, if any. | No | NA | NA |
| 14. | Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years. | Yes | - | Annexure-25 |
| 15. | Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company. | Yes | - | Annexure-25 |
| 16. | In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity. | Yes | The division of assets and liabilities has been | - |

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|---|-------------------------------|--|------------------------------------|
| | | | determined having regard to the fact that the Demerged Undertaking and the Remaining Business are independent divisions engaged in distinct business activities. Further, the Demerged Undertaking has been reported as an independent segment in the segment reporting of the Demerged Company. | |
| 17. | How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement. | Yes | Under the Scheme of Arrangement for the demerger, the Resulting Company will replicate the shareholding pattern of the Demerged Company (the Listed Entity). All existing shareholders of the Listed Entity, including public | - |

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|---|-------------------------------|---|------------------------------------|
| | | | shareholders, will be allotted shares in the Resulting Company in proportion to their current holdings in the Demerged Company. Furthermore, as an integral part of the Scheme, the Resulting Company will be listed on the same stock exchanges where the securities of the Demerged Company are currently listed. Accordingly, the Scheme ensures continuity of investment and liquidity, thereby making it beneficial to the public shareholders of the Resulting Company. | |
| 18. | Tax/other liability/benefit arising to the entities involved in the scheme, if any. | NA | Relevant provisions are provided in the Draft Scheme. | Annexure-1 |
| 19. | Comments of the Company on the Accounting treatment specified in the scheme to confirm whether it is in compliance with the Accounting Standards/Indian Accounting Standards. | Yes | Clause 3.2 of Part 3 of the Scheme of Arrangement details the Accounting treatment in compliance with the Accounting Standards. | Annexure-1 |

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|--|-------------------------|---|--|
| 20. | If the Income Approach method used in the Valuation, revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report. | NA | Kindly refer Remarks of Point 11 above. | NA |
| 21. | Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards. | NA | Kindly refer Remarks of Point 11 above. | NA |
| 22. | Confirmation from Company that the scheme is in compliance with the applicable securities laws. | Yes | Confirmation to this regard has been provided in the Compliance Report attached as Annexure – 12. | Annexure - 12 |
| 23. | Confirmation that the arrangement proposed in the scheme is yet to be executed. | Yes | It is hereby confirmed that the arrangement proposed in the Scheme is yet to be executed. | - |
| 24. | Details of adjustments made to financials of resulting company/merged entity due to scheme | Yes | Please refer Clause 3.2 of Part 3 of the Scheme of Arrangement | Annexure-1 |
| 25. | All documents mentioned in the checklist (Annexure II) | Yes | All the requisite documents as per the Checklist have been attached. | - |
| 26. | Complaint report as on date of sending NOC to SEBI for comments along with gist of all the complaints received, resolved and pending | Noted for Compliance | - | The complaint report will be submitted within 7 days of expiry of 21 days from filing the Draft Scheme with the Stock Exchange(s). |
| 27. | In case of amalgamation – | NA | NA | NA |

| S. No. | Particulars | Yes/ No/ Not Applicable | Remarks | Annexure (Document Provided) |
|--------|--|-------------------------|---------|------------------------------|
| | a. Details of assets and liabilities that are being transferred to resulting company b. Provisional post-merger balance sheet of resulting company c. Details of adjustments made to financials of resulting company due to scheme d. Details of EBIDTA, Revenue, PAT in percentage and value terms for the last 5 years of both transferor and transferee companies. | | | |
| 28. | If there is any reclassification of promoters pursuant to scheme, Exchange may ask for an undertaking from the company that the reclassification is in compliance with the Companies Act, ICDR Regulations and any other applicable laws. | NA | NA | NA |

For & on behalf of
K M Sugar Mills Limited



Ritika Tandon
Company Secretary & Compliance Officer
Membership No. - A32215



Place: Lucknow
Date: August 21, 2025



To
The Board of Directors
K M Sugar Mills Limited
76, Eldeco Greens, Gomtinagar, Lucknow,
Uttar Pradesh, India - 226010

We, Mehrotra & Mehrotra, the Statutory Auditors of K M Sugar Mills Limited (hereinafter referred as "Company" or "Demerged Company"), on the basis of the information and documents received from the Company, do hereby confirm as follows:

Details of Share Capital built up of K M Sugar Mills Limited:

| S. No. | Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No. of shares) | Whether listed, if not listed, give reasons thereof |
|--------|---------------|----------------------|-------------------|--|------------------------------------|---|
| 1. | 17-12-1971 | 18,000 | 100 | Subscription to MOA | 18,000 | All the shares of the Company are Listed |
| 2. | 25-02-1984 | 5,000 | 100 | Redemption of Preference shares | 23,000 | |
| 3. | 28-01-1988 | 23,000 | - | Bonus Issue | 46,000 | |
| 4. | 22-07-1988 | 5,000 | 100 | Right Issue | 51,000 | |
| 5. | 13-08-1994 | 5,10,000 | 10 | Share Split | 5,10,000 | |
| 6. | 13-08-1994 | 25,50,000 | - | Bonus Issue | 30,60,000 | |
| 7. | 24-03-2005 | 9,40,000 | 10 | Further Issue | 40,00,000 | |
| 8. | 31-03-2005 | 80,00,000 | - | Bonus Issue | 1,20,00,000 | |
| 9. | 09-11-2005 | 64,00,034 | 10 | IPO | 1,84,00,034 | |
| 10. | 08-03-2010 | 9,20,00,170 | 2 | Share Split | 9,20,00,170 | |

This certificate has been issued at the request of the Company for submission to the Stock Exchange(s), SEBI and any other regulatory authorities, in connection with the Scheme of Arrangement for Demerger between K M Sugar Mills Limited ('Demerged Company') and K M Spirits and Allied Industries Limited ('Resulting



Company'), with a view to obtain the no-objection as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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


**CA Sanjay K. Rai
Partner
Membership No.:507946
UDIN: 25507946BMTCRF1205**



**Place: Lucknow
Date: August 22, 2025**

Date : **August 19 2025**

To
The Board of Directors
KM Spirits and Allied Industries Limited
76, Eldeco Greens, Gominagar, Lucknow,
Uttar Pradesh, India - 226010

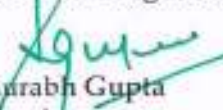
We, Saurabh Gupta & Co. Chartered Accountants, the Statutory Auditors of KM Spirits and Allied Industries Limited (hereinafter referred as "Company" or "Resulting Company"), on the basis of the information and documents received from the Company, do hereby confirm as follows:

Details of Capital Evolution of KM Spirits and Allied Industries Limited:

| S. No. | Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No. of shares) | Whether listed, if not listed, give reasons thereof |
|--------|-------------------|----------------------|-------------------|--|------------------------------------|---|
| 1. | February 23, 2018 | 50,000 | 10 | Subscription to MOA | 50,000 | Unlisted |

This certificate has been issued at the request of the Company for submission to the Stock Exchange(s), SEBI and any other regulatory authorities, in connection with the Scheme of Arrangement for Demerger between K M Sugar Mills Limited ('Demerged Company') and K M Spirits and Allied Industries Limited ('Resulting Company'), with a view to obtain the no-objection as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Saurabh Gupta & Co.
Chartered Accountants
ICAI Firm Registration Number: 010542C


Saurabh Gupta
Proprietor
Membership Number: 400057
UDIN: 25400057BMRAOP1386
Place: Lucknow
Date: **August 19 2025**



50, NARAIN DAS BUILDING, NARAHI, LUCKNOW - 226001 ☎: 0522-3562561

To

The Board of Directors

K M Sugar Mills Limited

76, Eldeco Greens, Gomtinagar

Lucknow-226010 U.P.

We, Saurabh Gupta & Co., Chartered Accountants engaged by K M Sugar Mills Limited (hereinafter referred as "Company" or "Demerged Company"), on the basis of the information and documents received from the Company, do hereby confirm as follows:

1. Details of assets, liability, revenue and net worth of the companies involved in the Scheme, both pre and post Scheme of Arrangement:

(Rs. in Crores)

| | Demerged Company (K M Sugar Mills Limited) | | Resulting Company (KM Spirits and Allied Industries Limited) | |
|-------------|---|----------------------|---|----------------------|
| | (Pre) (As on June 30, 2025) | (Post) (Proposed) | (Pre) (As on June 30, 2025) | (Post) (Proposed) |
| Assets | 619.01 | 530.09 | 0.056 | 88.93 |
| Liabilities | 267.28 | 241.54 | 0.002 | 25.75 |
| Revenue | 208.23 | 183.90 | 0.000 | 24.33 |
| Net worth | 305.38 | 242.20 | 0.054 | 63.18 |

2. Assets, liability, revenue, PAT and net worth of the Demerged Undertaking along with a write up on the history of the Demerged Undertaking:

(Rs. in Crores)

| Particulars | Demerged Undertaking (As on June 30, 2025) |
|-------------|--|
| Assets | 88.93 |
| Liabilities | 25.75 |
| Revenue | 24.33 |
| PAT | 1.11 |
| Net Worth | 63.18 |

History of the Demerged Undertaking - K M Sugar Mills Limited established its Distillery, unit in year 1995 situated in Ayodhya (U.P.), having capacity of 45 KLPD for the production of RS & ENA. In the year 2000 Distillery established an Ethanol Plant of 37.50 KLPD for supply of Ethanol to OMC's under the Central government Ethanol blending Program. Later, in the year 2018 a new ethanol plant established with capacity of 47.30KLPD and new MPR RS Plant & ENA Plant of 50KLPD and 30KLPD established in year 2021.

For business expansion in other segment of same field Distillery Unit entered in Production & sale of Country Liquor in Year 2021 and growing day by day. The Distillery Unit has been selling ethanol to Oil Companies for blending in Petrol as per the policy of the Central Government. For ethanol sell, the



3. Comparison of revenue and net worth of Demerged Undertaking with the total revenue and net worth of the listed/demerged entity in last three financial years:

(Rs. in Crores)

| | Financial Year 2022 - 2023 | | Financial Year 2023 - 2024 | | Financial Year 2024 - 2025 | |
|----------------------|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|-----------|
| | Revenue | Net Worth | Revenue | Net Worth | Revenue | Net Worth |
| Demerged Undertaking | 53.91 | 46.53 | 75.93 | 52.55 | 91.21 | 61.12 |
| Demerged Company | 575.53 | 214.57 | 657.16 | 242.53 | 659.01 | 292.24 |

4. Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement.

We understand that as part of the Proposed Scheme, the Distillery Division (Demerged Undertaking) of K M Sugar Mills Limited (Demerged Company) will be demerged and transferred to K M Spirits and Allied Industries Limited (Resulting Company). Presently, the Demerged Company holds 100% equity shares of Resulting Company.

As consideration, the Resulting Company shall issue equity shares to the shareholders of the Demerged Company in proportion to their respective shareholding in the Demerged Company. Consequently, all shareholders of Demerged Company would become shareholders of Resulting Company, and the shareholding pattern of the Resulting Company shall mirror that of the Demerged Company.

Hence, the share entitlement ratio "1 (One) fully paid up equity share of face value of INR 10/- (Rupee Ten) each of the Resulting Company for every 5 (Five) fully paid up equity share of face value of INR 2/- (Rupee Two) each held in the Demerged Company", can be considered appropriate and fair for the Proposed Demerger.

The Certificate is being issued at the request of the Company for onward submission to the Stock Exchange(s), SEBI and any other regulatory authority, in connection with the Scheme of Arrangement for Demerger between K M Sugar Mills Limited ('Demerged Company') and KM Spirits and Allied Industries Limited ('Resulting Company'), with a view to obtain the no-objection as required under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Saurabh Gupta & Co.
Chartered Accountants
Firm Registration Number: 010542C


Saurabh Gupta
Proprietor
Membership No.: 400057
UDIN: 25400057BMRAOS6708



Place: Lucknow
Date: 20th August, 2025

ADDITIONAL REQUIREMENTS

—

**Scheme of Arrangement for
Demerger between **K M Sugar
Mills Limited**
(Demerged Company) and
**K M Spirits and Allied
Industries Limited**
(Resulting Company)**



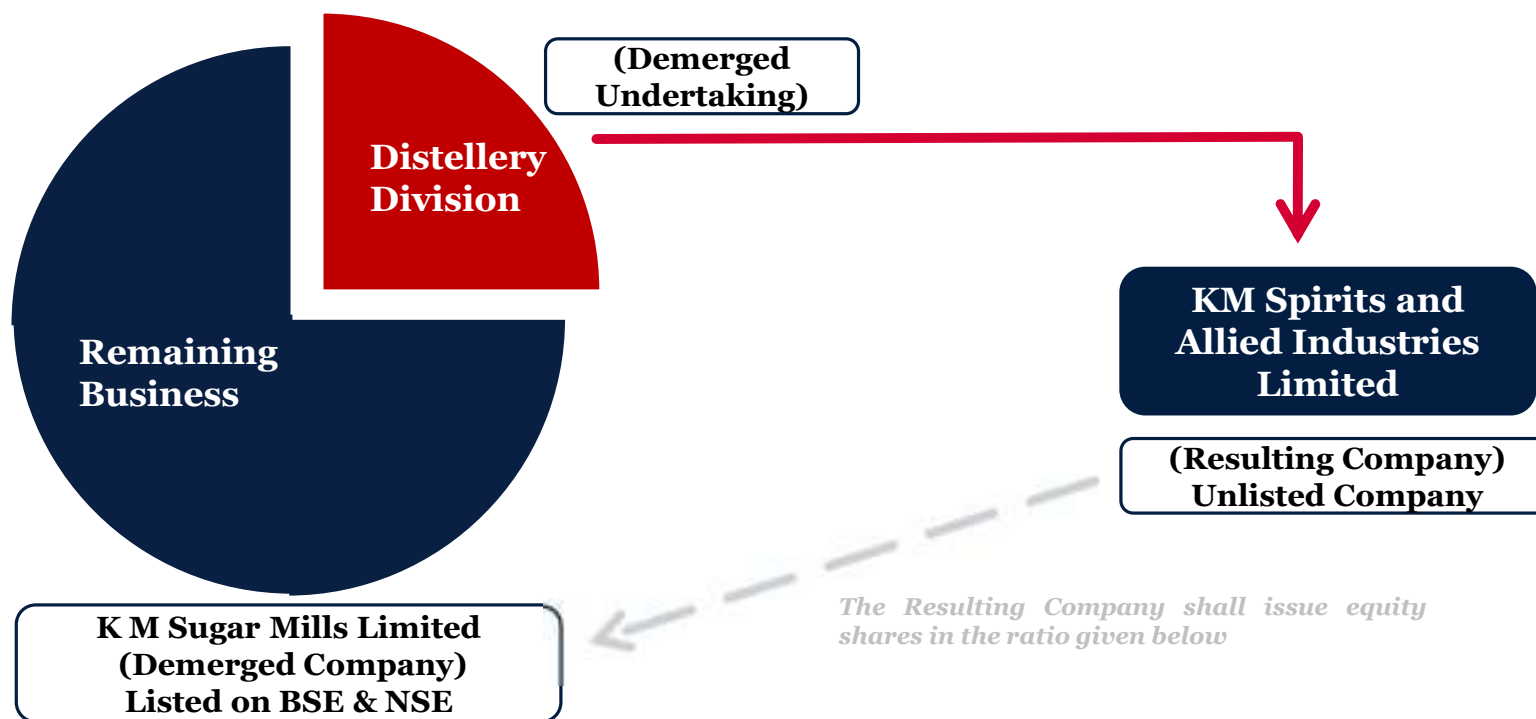
INDEX

| S.NO. | PARTICULARS | SLIDE NO. |
|-------|--|-----------|
| 1) | Graphical Representation of Scheme of Arrangement | 3 |
| 2) | Background of the Entities involved | 4 |
| 3) | Detailed Objective of the Scheme | 5-7 |
| 4) | Detailed Rationale of the Scheme | 5-7 |
| 5) | Existing, proposed and resultant structure of the Entities | 3 |
| 6) | Existing and proposed capital structure | 8-10 |
| 7) | Pre-Post Scheme: Net worth of the Entities | 11 |
| 8) | Key Points & Consideration proposed in the Scheme | 12-13 |
| 9) | Stepwise Process Involved in the Scheme | 14-15 |
| 10) | Minimum Public Shareholding in the Resulting Company | 16 |
| 11) | Detailed Rationale for Share Exchange Ratio | 16 |

NOTE:

Requirement mentioned at point no. 11 of the Part-B of the “Additional requirements” is not applicable in the present Scheme.

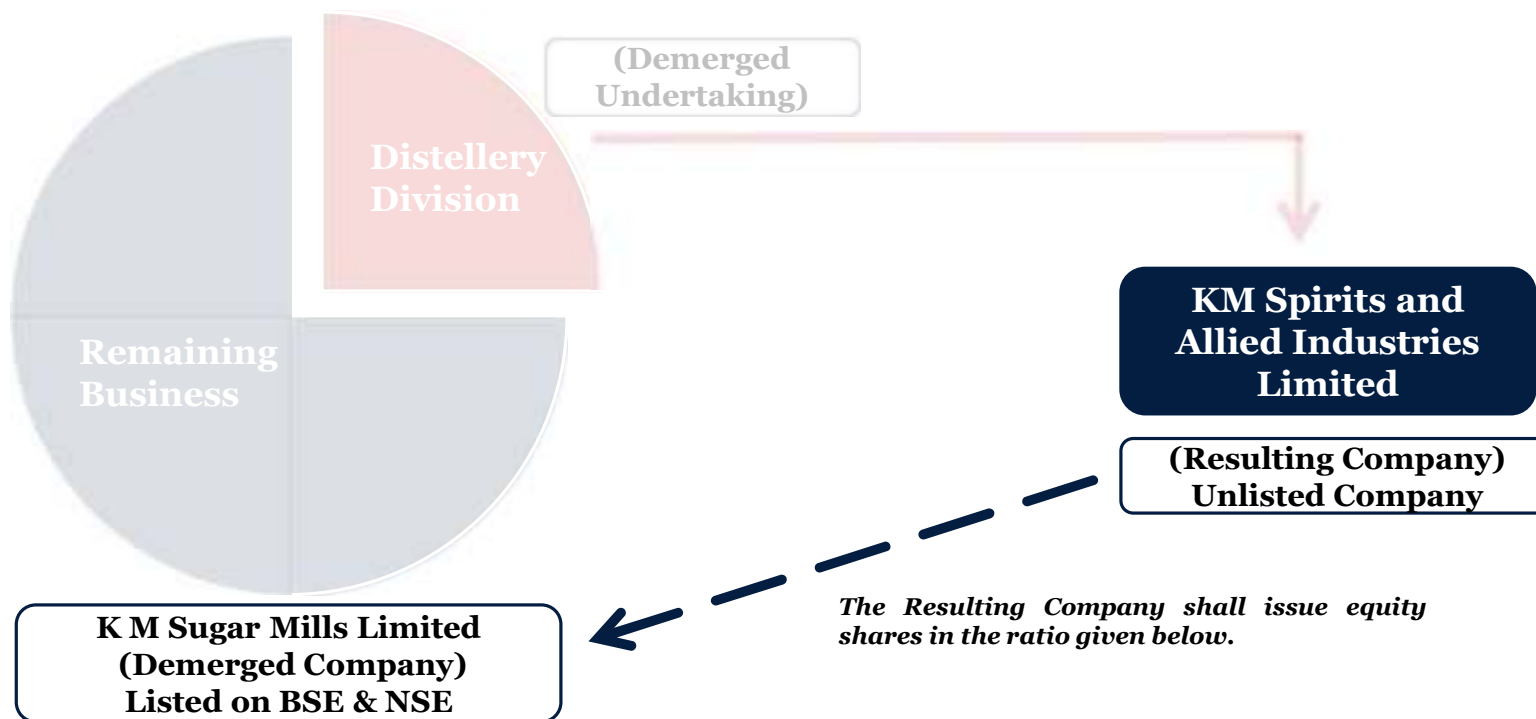
1&5) GRAPHICAL REPRESENTATION OF THE SCHEME



NOTE:

- (i) On occurrence of the Effective Date, the Distillery Division of K M Sugar Mills Limited (Demerged Company) shall stand transferred to and vested in KM Spirits and Allied Industries Limited (Resulting Company).
- (ii) "KM Spirits and Allied Industries Limited" (Resulting Company) shall issue and allot 1 (one) Equity Shares of Face Value of INR 10/- (Rupee Ten Each) each to Equity Shareholders of "K M Sugar Mills Limited" (Demerged Company) for every 5 (Five) Equity Share of Face Value of INR 2/- (Rupee One Each) each held by them in the Demerged Company.

1&5) GRAPHICAL REPRESENTATION OF THE SCHEME



NOTE:

- (i) On occurrence of the Effective Date, the Distillery Division of K M Sugar Mills Limited (Demerged Company) shall stand transferred to and vested in KM Spirits and Allied Industries Limited (Resulting Company).
- (ii) "KM Spirits and Allied Industries Limited" (Resulting Company) shall issue and allot 1 (one) Equity Shares of Face Value of INR 10/- (Rupee Ten Each) each to Equity Shareholders of "K M Sugar Mills Limited" (Demerged Company) for every 5 (Five) Equity Share of Face Value of INR 2/- (Rupee One Each) each held by them in the Demerged Company.

2) BACKGROUND OF THE ENTITIES

K M SUGAR MILLS LIMITED (DEMERGED COMPANY)

- 1. Incorporation:** K M SUGAR MILLS LIMITED (hereinafter also referred to as 'KMSM' or 'Demerged Company'), bearing CIN L15421UP1971PLC003492, was incorporated on 17th December, 1971 under the Companies Act, 1956 as " K M Sugar Mills Private Limited ".
- 2. Name Change:** Renamed to "K M Sugar Mills Limited" on 20th April, 2005 after obtaining the status of a Public Company.
- 3. Registered Office:** 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh, India - 226010.
- 4. Business Focus:** The Demerged Company is engaged in diversified business of manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).
- 5. Listing:** Equity Shares of K M Sugar Mills Limited are listed on bourses of BSE Limited and NSE Limited

KM SPIRITS AND ALLIED INDUSTRIES LIMITED (RESULTING COMPANY)

- 1. Incorporation:** KM SPIRITS AND ALLIED INDUSTRIES ('KMSAIL' or 'Resulting Company') bearing CIN U15100UP2018PLC101321, was incorporated on 23rd February, 2018 under the Companies Act, 2013.
- 2.** There has been no change in Name of the Resulting Company since its incorporation.
- 3. Registered Office:** 76, Eldeco Greens, Gomtinagar, Lucknow, Uttar Pradesh, India - 226010.
- 4. Business Activity:** The main object of the memorandum of association of the Resulting Company includes the manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).
- 5. Listing:** The Equity Shares of Resulting Company are not Listed on any Stock Exchange(s).

3&4) DETAILED OBJECTIVE & RATIONALE OF THE SCHEME

The objective of this Scheme of Arrangement, under Sections 230-232 of the Companies Act, 2013, is to demerge the Distillery Division of K M Sugar Mills Limited ('Demerged Company') into KM Spirits and Allied Industries Limited ('Resulting Company'). The Resulting Company will issue its equity shares to the shareholders of the Demerged Company in consideration for the Demerger, as per the share entitlement ratio. Upon the Effective Date, the Distillery Division of the Demerged Company shall stand transferred to and vested in the Resulting Company.

This Scheme of Demerger would result, inter-alia, in the following synergies for both the Demerged Company and Resulting Company and thereby preserving and creating value for its shareholders, creditors and various other stakeholders:

- ***Strategic Rationale for Establishing a Standalone Distillery Entity:***

In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.

3&4) DETAILED OBJECTIVE & RATIONALE OF THE SCHEME

- ***Strategic Flexibility and Risk Mitigation through Distillery Division Segregation:***

Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.

- ***Value Creation for Shareholders :***

Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the equity shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.

- ***Driving Growth by Aligning Risk and Return Profiles***

The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.

3&4) DETAILED OBJECTIVE & RATIONALE OF THE SCHEME

In summary, the proposed demerger aims to unlock shareholder value by enabling independent market-driven valuation of the Distillery Division through separate listing, offering investors focused exposure to a distillery-centric entity. By separating businesses with distinct risk-return profiles, each entity can attract targeted investors, partners, and lenders, enhancing capital-raising capacity and growth prospects. The Resulting Company will benefit from sharper sectoral focus, optimized resource allocation, and a more agile management structure, strengthening competitive advantage. Greater transparency will improve performance visibility, brand positioning, and strategic clarity for both entities. This separation will also enable efficient resource channeling, attract the right talent, and create expanded growth opportunities for employees aligned to each entity's core business focus.

This comprehensive rationale as above underscores the strategic motivations, expected benefits, and the context surrounding the Proposed Demerger, highlighting its alignment with both the companies' objectives and the interests of their various stakeholders.

6) EXISTING AND PROPOSED CAPITAL STRUCTURE

K M SUGAR MILLS LIMITED – PRE AND POST* SHAREHOLDING PATTERN

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|--------------------------------|----------------------|---|--|--|------------------------|--|--|----------|-----------------|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class: Equity | Class: y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII)=(IV)+(V)+(VI) | (VIII) | (IX) | | | | (X) | (XI)=(VII)+(X) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 0 | 56.51 | 0 | 0 | 0 | 0 | 51991499 |
| (B) | Public | 56542 | 40008671 | 0 | 0 | 40008671 | 43.49 | 40008671 | 0 | 40008671 | 43.49 | 0 | 43.49 | 0 | 0 | 0 | 0 | 40007641 |
| (C) | Non Promoter-Non Public | | | | | | | | | | | | | 0 | 0 | 0 | | |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| | Total | 56554 | 92000170 | 0 | 0 | 92000170 | 100.00 | 92000170 | 0 | 92000170 | 100.00 | 0 | 100.00 | 0 | 0 | 0 | 0 | 91999140 |

***NOTE: There shall be no change in the Shareholding Pattern of the Demerged Company Post Demerger. Hence The Pre and Post Demerger Shareholding Pattern shall be the same.**

6) EXISTING AND PROPOSED CAPITAL STRUCTURE

KM SPIRITS AND ALLIED INDUSTRIES LIMITED – PRE DEMERGER SHAREHOLDING PATTERN

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying conversion of convertible securities (including Warrants) | Shareholding, as a % assuming full convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|--------------------------------|----------------------|---|--|--|------------------------|--|--|------------------|--------------|--------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C)x | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class:Equity | Class:Preference | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII)=(IV)+(V)+(VI) | (VIII) | (IX) | | | | (X) | (XI)=(VII)+(X) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 7* | 50000 | 0 | 0 | 50000 | 100.00 | 50000 | 0 | 50000 | 100.00 | 0 | 100.00 | 0 | 0 | 0 | 0 | 50000 |
| (B) | Public | 0 | | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C) | Non Promoter-Non Public | | | | 0 | | | | 0 | | | 0 | | | 0 | 0 | 0 | |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| | Total | 7 | 50000 | 0 | 0 | 50000 | 100.00 | 50000 | 0 | 50000 | 100.00 | 0 | 100.00 | 0 | 0 | 0 | 0 | 50000 |

*NOTE: Number of shareholders includes Nominee Shareholders on behalf of the Holding Company.

6) EXISTING AND PROPOSED CAPITAL STRUCTURE

KM SPIRITS AND ALLIED INDUSTRIES LIMITED – POST DEMERGER SHAREHOLDING PATTERN

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying conversion of convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form |
|----------|--------------------------------|----------------------|---|--|--|------------------------|--|--|------------------|-----------------|-------------------------|--|---|----------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class:Equity | Class:Preference | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII)=(IV)+(V)+(VI) | (VIII) | (IX) | | | | (X) | (XI)=(VII)+(X) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group | 12 | 10398300 | 0 | 0 | 10398300 | 56.51 | 10398300 | 0 | 10398300 | 56.51 | 0 | 56.51 | 0 | 0 | 0 | 0 | 10398300 |
| (B) | Public | 56542 | 8001734 | 0 | 0 | 8001734 | 43.49 | 8001734 | 0 | 8001734.2 | 43.49 | 0 | 43.49 | 0 | 0 | 0 | 0 | 8001528 |
| (C) | Non Promoter-Non Public | | | | 0 | | | | 0 | | | 0 | | | 0 | 0 | 0 | |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| | Total | 56554 | 18400034 | 0 | 0 | 18400034 | 100.00 | 18400034 | 0 | 18400034 | 100.00 | 0 | 100.00 | 0 | 0 | 0 | 0 | 18399828 |

Details of Promoter Holding

PRE AND POST DEMERGER SHAREHOLDING PATTERN

| Name of the Promoter/s | Pre Shareholding | | | | Consideration as per the scheme | | | | Post Shareholding | | | |
|--|-----------------------------|--------------|------------------------------|---------------|---------------------------------|--------------|------------------------------|------------------------|-------------------|--------------|------------------------------|--------------|
| | Demerged Company (Demerger) | | Resulting Company (Demerger) | | Allotted Pursuant to Scheme | | Cancelled Pursuant to Scheme | | Demerged Company | | Resulting Company (Demerger) | |
| | No of Shares | % | No of Shares | % | No of Shares | % | No of Shares | % | No of Shares | % | No of Shares | % |
| Lakshmi Kant Jhunjhunwala | 14302600 | 15.55 | 1 | 0.00 | 2860520 | 15.55 | 1 | 0.00 | 14302600 | 15.55 | 2860520 | 15.55 |
| Lakshmi Kant Dwarkadas HUF | 10065900 | 10.94 | - | - | 2013180 | 10.94 | - | - | 10065900 | 10.94 | 2013180 | 10.94 |
| Aditya Jhunjhunwala | 5289242 | 5.75 | 1 | 0.00 | 1057848 | 5.75 | 1 | 0.00 | 5289242 | 5.75 | 1057848 | 5.75 |
| Naina Jhunjhunwala | 4180748 | 4.54 | 1 | 0.00 | 836150 | 4.54 | 1 | 0.00 | 4180748 | 4.54 | 836150 | 4.54 |
| Sanjay Jhunjhunwala | 2494600 | 2.71 | - | - | 498920 | 2.71 | - | - | 2494600 | 2.71 | 498920 | 2.71 |
| Vatsal Jhunjhunwala | 499721 | 0.54 | - | - | 99944 | 0.54 | - | - | 499721 | 0.54 | 99944 | 0.54 |
| Hari Nath | - | - | 1 | 0.00 | - | - | 1 | 0.00 | - | - | - | - |
| Mohit Agarwal | - | - | 1 | 0.00 | - | - | 1 | 0.00 | - | - | - | - |
| Priti Jhunjhunwala | - | - | 1 | 0.00 | - | - | 1 | 0.00 | - | - | - | - |
| Vridhi Trust | 188780 | 0.21 | - | - | 37756 | 0.21 | - | - | 188780 | 0.21 | 37756 | 0.21 |
| Shivam S Shorewala | 120549 | 0.13 | - | - | 24110 | 0.13 | - | - | 120549 | 0.13 | 24110 | 0.13 |
| Marvel Business Pvt Ltd | 12065975 | 13.12 | - | - | 2413195 | 13.12 | - | - | 12065975 | 13.12 | 2413195 | 13.12 |
| K M Vyapar | 2283364 | 2.48 | - | - | 456673 | 2.48 | - | - | 2283364 | 2.48 | 456673 | 2.48 |
| Jhunjhunwala Securities Private Limited | 500000 | 0.54 | - | - | 100000 | 0.54 | - | - | 500000 | 0.54 | 100000 | 0.54 |
| Francoise Commerce Private | 20 | 0.00 | - | - | 4 | 0.00 | - | - | 20 | 0.00 | 4 | 0.00 |
| KM Sugar Mills Limited | - | - | 49994 | 99.99 | - | - | 49994 | 99.99 | - | - | - | - |
| Total | 51991499 | 56.51 | 50000 | 100.00 | 10398300 | 56.51 | 50000 | 100.00 | 51991499 | 56.51 | 10398300 | 56.51 |
| Notes: | | | | | | | | | | | | |
| 1. Shareholding of Promoters in Transferor/Demerged Company * Share Entitlement Ratio | | | | | 10398300 | | | | | | | |
| 2. Details of addition of promoters in the Transferee Company/Resultant Company Post Sanction of Scheme. | | | | | | | | Detailed in Next Slide | | | | |
| 3. Details of reclassification of existing promoters to public in the Transferee Company/Resultant Company Post sanction of scheme in compliance with SEBI LODR Regulations, 2015 | | | | | | | | | | | N/A | |

Details of addition of promoters in the Transferee Company/Resultant Company Post Sanction of Scheme.

| S. No | Name | PAN | Address |
|--------------|--|------------|---|
| 1. | Lakshmi Kant Dwarkadas HUF | AAAHL9403N | K M Sugar Mills Colony Madhopur Faizabad Uttar Pradesh – 224201 |
| 2. | Sanjay Jhunjunwala | AANPJ9747L | Shrim, N H 2 Vishwas Khand 2, Opp H. No. 2/327, Gomtinagar, PO: Gomtinagar, DIST: Lucknow, Uttar Pradesh - 226010 |
| 3. | Vatsal Jhunjunwala | AGHPJ6163G | 2/72, Vipul Khand-2 Gomti Nagar Lucknow, UP- 226010 |
| 4. | Vridhi Trust | AAATV7236P | 11 Moti Bhawan 52/1, Collectorganj, Kanpur- 208001 |
| 5. | Shivam S Shorewala | AVMPS2212H | Mount Everest Building, Flat No.15, Plot No.7,2nd Floor, Pedder Road, Mumbai, Cumballa Hill, Maharashtra – 400026 |
| 6. | Marvel Business Pvt Ltd | AABCM7231K | 1st Floor, 4-Lee Road, Sumangal Apartment, Kolkata, West Bengal – 700020 |
| 7. | K M Vyapar | AAACK5991M | 76, Eldeco Greens Gomti Nagar, Lucknow, Uttar Pradesh - 226010 |
| 8. | Jhunjunwala Securities Private Limited | AAACJ9775C | 76, Eldeco Greens Gomti Nagar, Lucknow, Uttar Pradesh - 226010 |
| 9. | Francoise Commerce Private | AAACF4336P | 1st Floor, 4-Lee Road, Sumangal Apartment, Kolkata, West Bengal, India, 700020 |

Details of Public Holding

PRE AND POST DEMERGER SHAREHOLDING PATTERN

| Public | Pre Shareholding | | | | Consideration as per the scheme | | | | Post Shareholding | | | |
|---------------------|-----------------------------|--------------|------------------------------|----------|---------------------------------|--------------|------------------------------|----------|-------------------|--------------|------------------------------|--------------|
| | Demerged Company (Demerger) | | Resulting Company (Demerger) | | Allotted Pursuant to Scheme | | Cancelled Pursuant to Scheme | | Demerged Company | | Resulting Company (Demerger) | |
| | No of Shares | % | No of Shares | % | No of Shares | % | No of Shares | % | No of Shares | % | No of Shares | % |
| Public Shareholding | 40008671 | 43.49 | - | - | 8001734 | 43.49 | - | - | 40008671 | 43.49 | 8001734 | 43.49 |
| TOTAL | 40008671 | 43.49 | - | - | 8001734 | 43.49 | - | - | 40008671 | 43.49 | 8001734 | 43.49 |

7) PRE-POST SCHEME: NET WORTH OF THE ENTITIES

K M SUGAR MILLS LIMITED

(Amount in crore)

| K M SUGAR MILLS LIMITED (DEMERGED COMPANY) AS ON 30 th June, 2025 | | |
|--|---------------|---------------|
| | PRE-SCHEME | POST- SCHEME |
| EQUITY | 18.40 | 18.40 |
| OTHER EQUITY (Excluding revaluation Reserves) | 286.98 | 223.80 |
| NETWORTH | 305.38 | 242.20 |

K M SPIRITS AND ALLIED INDUSTRIES LIMITED

(Amount in crore)

| K M SPIRITS AND ALLIED INDUSTRIES LIMITED (DEMERGED COMPANY) AS ON 30 th June, 2025 | | |
|--|--------------|--------------|
| | PRE-SCHEME | POST- SCHEME |
| EQUITY | 0.050 | 18.40 |
| OTHER EQUITY (Excluding revaluation Reserves) | 0.004 | 44.78 |
| NETWORTH | 0.054 | 63.18 |

8) KEY POINTS & CONSIDERATION PROPOSED IN THE SCHEME

1. Share Entitlement Report: Share Entitlement Report is issued by Axiology Valuetech Private Limited. The Fairness opinion is provided by Corporate Professionals Capital Private Limited.

2. Issuance of Equity Shares: The Resulting Company shall issue and allot Equity shares to the shareholders of the Resulting Company in the following ratio:

‘1 Equity Share of Face Value of Rs. 10/- each at par in the Resulting Company for every 5 Equity Shares of Face Value of Rs.2/- each held by them in the Demerged Company.’

3. Cancellation of Cross Holdings: All the shares of the Resulting Company as held by the Demerged Company will be cancelled and the Resulting Company shall have replica shareholding as that of the Demerged Company.

4. Management of Fractional Entitlements: Fractional shares to be consolidated and allotted to a nominated trustee for further treatment as per SEBI Master Circular for Scheme of Arrangement. Accordingly, proceeds from the net sale of such shares shall be distributed to the eligible shareholders in proportion to their entitlements.

5. Pari Passu Ranking: Equity shares issued to the shareholders of Demerged Company shall rank pari passu with the existing equity shares in the Resulting Company from the Appointed Date.

8) KEY POINTS & CONSIDERATION PROPOSED IN THE SCHEME

6. Lock-In Period: Equity shares subject to existing lock-in requirements will remain locked as per SEBI regulations. Further, shares issued by the Resulting Company shall be lock in as per the requirements of the SEBI Master Circular.

9) STEPWISE PROCESS INVOLVED IN THE SCHEME

Considering and Approval of Scheme of Arrangement for Demerger ('Scheme') by the Board of Director of both the Companies



Intimation to Stock exchanges and Filing of application with both the Stock Exchanges under Regulation 37 of SEBI (LODR) Regulation, 2015 for obtaining their No – Objection on the Scheme

FURTHER STEPS

Receipt of No – Objection of both the Stock Exchanges on the scheme



Filing of First Motion Application before NCLT



Convening the NCLT directed meetings of Shareholders and Creditors of the Companies / Dispensation with the said meetings



Filing Chairperson's Report w.r.t. the outcome of the above meetings before NCLT



Filing of Second Motion Petition before the NCLT



Compliance with the directions issued by the NCLT in the aforementioned "Second Motion Petition" hearing



Receipt of NOC from Registrar of Companies, Regional Director, Official Liquidator, Income Tax Department and Sectoral regulators (if any)



Final hearing before NCLT and consequently obtaining order sanctioning the Scheme

9) STEPWISE PROCESS INVOLVED IN THE SCHEME

Filing the final NCLT order with the Registrar of Companies



Allotment of shares to the shareholders of the Demerged Company pursuant to the Scheme



Filing of return of allotment with the Registrar of Companies



Filing of listing application with Stock Exchanges and Exemption from SEBI under Rule 19(2)(b), detailed Information Memorandum of Resulting Company to be filed



Receipt of listing approval from stock exchanges.



Forwarding of Application by Designated Stock Exchange to SEBI for Seeking Exemption of Rule 19(2)(b)



Receipt of SEBI approval.



Newspaper Publication of Information Memorandum as per SEBI Master Circular



Filing of Trading Application with the Stock Exchanges



Issuance of trading notice by the Stock Exchanges.

10&12) Minimum Public Shareholding and Detailed Rationale for Share Exchange Ratio

The present Scheme of Arrangement provides for the demerger of the Distillery Division (Demerged Undertaking) of the Demerged Company to be transferred to vested into the Resulting Company. The Demerged Company holds 100% equity shares of Resulting Company. Once the Proposed Scheme is implemented, all the shareholders of Demerged Company would also become shareholders of Resulting Company, and their shareholding in Resulting Company would mirror their shareholding in Demerged Company.

Since, post Demerger, there will be a replica Shareholding in the Resulting Company as that of the Demerger Company, therefore, the minimum public shareholding of the listed entity (Demerged Company) shall not be less than 25% on a fully diluted basis.

Further, considering the above explanation the share entitlement ratio “*1 (One) fully paid up equity share of face value of INR 10/- (Rupee Ten) each of the Resulting Company for every 5 (Five) fully paid up equity share of face value of INR 2/- (Rupee Two) each held in the Demerged Company*”, can be considered appropriate and fair for the Proposed Demerger.

11) Reclassification of Promoter and Promoter Group pursuant to the Scheme

Pursuant to the Scheme, there shall be no Reclassification of Promoter and Promoter Group.

Annexure 16

| Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | |
|---|---|---|----------------|
| 1. | Name of Listed Entity: K M Sugar Mills Limited | | |
| 2. | Scrip Code/Name of Scrip/Class of Security: 532673 | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | Reg. 31(1)(b) |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending as on | 13.04.2026 |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | Not Applicable |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |

| | Particulars | Yes | No |
|---|--|-----|----|
| a | Whether the Listed Entity has issued any partly paid up shares? | | No |
| b | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| c | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| d | Whether the Listed Entity has any shares in locked-in? | | No |
| e | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| f | Whether company has equity shares with differential voting rights? | | No |
| g | Whether the listed entity has any significant beneficial owner? | Yes | |

For K M Sugar Mills Limited



RITIKA TANDON
COMPANY SECRETARY



Date: 13.04.2026

Place: Lucknow

Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total No. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP, Convertible Securities etc.) | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|--------------------------|---|--|-------------|----------|---|---|---|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+(vi) | (viii) As a % of (A+B+C2) | (ix) | | | (x) | (xi) = (vii)+(x) | (xii) = (vi)+(x) As a % of (A+B+C2) | (xiii) | (xiv) | (xv) | | | |
| (A) | Promoter & Promoter Group | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 0 | 51991499 | 56.51 | 0 | 0 | 0 | 0 | 51991499 |
| (B) | Public | 53008 | 40008671 | 0 | 0 | 40008671 | 43.49 | 40008671 | 0 | 40008671 | 43.49 | 0 | 40008671 | 43.49 | 0 | 0 | 0 | 0 | 40008671 |
| (C) | Non Promoter - Non Public | | | | | | | | 0 | | | 0 | | | 0 | 0 | 0 | 0 | |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| | Total | 53020 | 92000170 | 0 | 0 | 92000170 | 100.00 | 92000170 | 0 | 92000170 | 100.00 | 0 | 92000170 | 100.00 | 0 | 0 | 0 | 0 | 91999140 |

For K M Sugar Mills Limited


 RITIKA TANDON
 COMPANY SECRETARY



Date: 13.04.2026
 Place: Lucknow

Table B - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholder | Entity Type | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying & Outstanding convertible securities (including ESOP, Convertible Securities etc.) | ing, as a % assuming full conversion of convertible securities (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|------------------------------------|--|----------------|---------------------|---|-----------------------------------|--|---------------------------|--|--|-------------|----------|--|---|-------------------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | | No of Voting Rights | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) + (VI)+(V) | (VIII) As a % of (A+B+C2) | (IX) | | | (X) | (XI)+(X) | (XII) | (XIII) | (XIV) | | | | |
| 1 | Indian | | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | 6 | 36832811 | 0 | 0 | 36832811 | 40.04 | 36832811 | 0 | 36832811 | 40.04 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36832811 |
| | Lakshmi Kant Jhunjhunwala** | Promoters | 1 | 14302600 | 0 | 0 | 14302600 | 15.55 | 14302600 | 0 | 14302600 | 15.55 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 14302600 |
| | Lakshmi Kant Oswarkadga MJF | Promoters | 1 | 10065900 | 0 | 0 | 10065900 | 10.94 | 10065900 | 0 | 10065900 | 10.94 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 10065900 |
| | Aditya Jhunjhunwala | Promoters | 1 | 5289242 | 0 | 0 | 5289242 | 5.75 | 5289242 | 0 | 5289242 | 5.75 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 5289242 |
| | Neha Jhunjhunwala | Promoters | 1 | 4180748 | 0 | 0 | 4180748 | 4.54 | 4180748 | 0 | 4180748 | 4.54 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4180748 |
| | Sanjay Jhunjhunwala | Promoter Group | 1 | 2494600 | 0 | 0 | 2494600 | 2.71 | 2494600 | 0 | 2494600 | 2.71 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2494600 |
| | Vatsal Jhunjhunwala | Promoters | 1 | 499721 | 0 | 0 | 499721 | 0.54 | 499721 | 0 | 499721 | 0.54 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 499721 |
| (b) | Central Government / State Government(s) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Financial Institutions / Banks | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Any Other (Specify) | | 6 | 15158688 | 0 | 0 | 15158688 | 16.48 | 15158688 | 0 | 15158688 | 16.48 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 15158688 |
| | Promoter Trust | | 2 | 309329 | 0 | 0 | 309329 | 0.34 | 309329 | 0 | 309329 | 0.34 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 309329 |
| | Vridhi Trust | Promoter Group | 1 | 188780 | 0 | 0 | 188780 | 0.21 | 188780 | 0 | 188780 | 0.21 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 188780 |
| | Shivam S Shrivastava | Promoter Group | 1 | 120549 | 0 | 0 | 120549 | 0.13 | 120549 | 0 | 120549 | 0.13 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 120549 |
| | Bodley Corporate | | 4 | 14849359 | 0 | 0 | 14849359 | 16.14 | 14849359 | 0 | 14849359 | 16.14 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 14849359 |
| | Marvel Business Pvt Ltd | Promoter Group | 1 | 12065975 | 0 | 0 | 12065975 | 13.12 | 12065975 | 0 | 12065975 | 13.12 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 12065975 |
| | K M Vrogar | Promoter Group | 1 | 2283364 | 0 | 0 | 2283364 | 2.48 | 2283364 | 0 | 2283364 | 2.48 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2283364 |
| | Jhan Jhan Wala Securities Private | Promoter Group | 1 | 500000 | 0 | 0 | 500000 | 0.54 | 500000 | 0 | 500000 | 0.54 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 500000 |
| | Franchise Commerce Private | Promoter Group | 1 | 20 | 0 | 0 | 20 | 0.00 | 20 | 0 | 20 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 20 |
| | Sub Total (A1) | | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 51991499 |
| 2 | Foreign | | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (b) | Government | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Institutions | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Foreign Portfolio Investor | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (e) | Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Sub Total (A2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Total Shareholding Of Promoter And Promoter Group (A) | | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 51991499 |
| | (A1)-(A2) | | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 51991499 |

For K M Sugar Mills Limited

Ritika Tandon

RITIKA TANDON
COMPANY SECRETARY

Date: 13.04.2026
Place: Lucknow



Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

K M Sugar Mills Limited

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | Pan | No. of shares | No. of fully paid up equity shares held | Partly paid up equity shares held | No. of shares underlying | Total no. shares held | Shareholding % calculated as on SCRR, 1957 As a % of | Number of Voting Rights held in each class of securities | | | No. of shares Underlying | Total No. of shares on fully diluted basis | Shareholding, as a % assuming full conversion of convertible securities | Number of shares in shares | | Number of Shares pledged or | Number of equity shares held in dematerialised form |
|---|-----|---------------|---|-----------------------------------|--------------------------|-----------------------|--|--|-----------|-----------|--------------------------|--|---|-----------------------------|-----------------------------|-----------------------------|---|
| | | | | | | | | Class (a) | Class (b) | Class (c) | | | | As a % of total Shares held | As a % of total Shares held | | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (b) Venture Capital Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) Alternative Investment Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) Banks | | 3 | 485 | 0 | 0 | 485 | 0.00 | 485 | 0 | 485 | 0 | 0.00 | 0 | 0 | 0 | 0 | 485 |
| (e) Insurance Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (f) Provident Funds/ Pension Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (g) Asset Reconstruction Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (h) Sovereign Wealth Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (i) MNCs registered with SEBI | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (j) Other Financial Institutions | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (k) Any Other Specific | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B1) | | 3 | 485 | 0 | 0 | 485 | 0.00 | 485 | 0 | 485 | 0 | 0.00 | 0 | 0 | 0 | 0 | 485 |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (b) Foreign Venture Capital Investors | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) Sovereign Wealth Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) Foreign Portfolio Investors Category I | | 0 | 171592 | 0 | 0 | 171592 | 0.19 | 171592 | 0 | 171592 | 0 | 0.19 | 0 | 0 | 0 | 0 | 171592 |
| (e) Foreign Portfolio Investors Category II | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (f) Overseas Depositories (including DRs) (Balancing figure) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (g) Any Other Specific | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B2) | | 0 | 171592 | 0 | 0 | 171592 | 0.19 | 171592 | 0 | 171592 | 0 | 0.19 | 0 | 0 | 0 | 0 | 171592 |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | |
| (a) Central Government / Republic of India | | 3 | 500 | 0 | 0 | 500 | 0.00 | 500 | 0 | 500 | 0 | 0.00 | 0 | 0 | 0 | 0 | 500 |
| (b) State Government / Government of India | | 1 | 3140 | 0 | 0 | 3140 | 0.00 | 3140 | 0 | 3140 | 0 | 0.00 | 0 | 0 | 0 | 0 | 3140 |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B3) | | 4 | 3640 | 0 | 0 | 3640 | 0.00 | 3640 | 0 | 3640 | 0 | 0.00 | 0 | 0 | 0 | 0 | 3640 |
| 4 Associations | | | | | | | | | | | | | | | | | |
| (a) Association companies / Sub-Sidies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (b) Directors and their relatives (including Independent Directors and non-exec Directors) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) Key Managerial Personnel | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) Relatives of promoters (other than immediate relatives) of promoters disclosed under 'Promoter and Promoter Group' category | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'Trustee', 'Beneficiary', or 'Member of the trust' | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (f) Trusts (Education and Protection Fund (EPF)) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (g) I. Resident Individual holding nominal share capital upto Rs. 2 Lakhs | | 21027 | 26859450 | 0 | 0 | 26859450 | 19.70 | 26859450 | 0 | 26859450 | 29.20 | 0 | 26859450 | 0 | 0 | 0 | 26859450 |
| (h) II. Resident Individual holding nominal share capital in excess of Rs. 2 Lakhs | | 15 | 8849395 | 0 | 0 | 8849395 | 2.62 | 8849395 | 0 | 8849395 | 9.62 | 0 | 8849395 | 0 | 0 | 0 | 8849395 |
| (i) Manoj Prakash Jha/Manu Jha | | 1 | 1599384 | 0 | 0 | 1599384 | 1.74 | 1599384 | 0 | 1599384 | 1.74 | 0 | 1599384 | 0 | 0 | 0 | 1599384 |
| (j) Manoj K Thanzawa | | 1 | 1675000 | 0 | 0 | 1675000 | 2.82 | 1675000 | 0 | 1675000 | 2.82 | 0 | 1675000 | 0 | 0 | 0 | 1675000 |
| (k) Mr. Shalja Jain | | 1 | 1651403 | 0 | 0 | 1651403 | 3.79 | 1651403 | 0 | 1651403 | 3.79 | 0 | 1651403 | 0 | 0 | 0 | 1651403 |
| (l) Urmasidh Singh/Urmasidh | | 1 | 2439348 | 0 | 0 | 2439348 | 3.63 | 2439348 | 0 | 2439348 | 3.63 | 0 | 2439348 | 0 | 0 | 0 | 2439348 |
| (m) Non Resident Indians (NRI) | | 211 | 923412 | 0 | 0 | 923412 | 3.09 | 923412 | 0 | 923412 | 3.09 | 0 | 923412 | 0 | 0 | 0 | 923412 |
| (n) Foreign Nationals | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (o) Foreign Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (p) Bodies Corporate | | 80 | 1395239 | 0 | 0 | 1395239 | 1.52 | 1395239 | 0 | 1395239 | 1.52 | 0 | 1395239 | 0 | 0 | 0 | 1395239 |
| (q) Any Other Specific | | 129 | 1807458 | 0 | 0 | 1807458 | 3.96 | 1807458 | 0 | 1807458 | 3.96 | 0 | 1807458 | 0 | 0 | 0 | 1807458 |
| (r) High Corp-Ed Liability Partworthip | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (s) Hindu Undivided Family | | 309 | 1648013 | 0 | 0 | 1648013 | 3.79 | 1648013 | 0 | 1648013 | 3.79 | 0 | 1648013 | 0 | 0 | 0 | 1648013 |
| (t) Charitable Trusts | | 11 | 48785 | 0 | 0 | 48785 | 0.05 | 48785 | 0 | 48785 | 0.05 | 0 | 48785 | 0 | 0 | 0 | 48785 |
| Sub Total (B4) | | 33033 | 97334564 | 0 | 0 | 97334564 | 43.30 | 97334564 | 0 | 97334564 | 43.30 | 0 | 97334564 | 0 | 0 | 0 | 97334564 |
| Total Public Shareholding (B1+B2+B3+B4) | | 33036 | 40006873 | 0 | 0 | 40006873 | 43.49 | 40006873 | 0 | 40006873 | 43.49 | 0 | 40006873 | 0 | 0 | 0 | 40006873 |

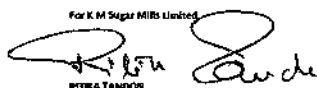

Details of the shareholder, acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | 0 | 0 |

Details of Shares which remain unclaimed may be given below along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

For K M Sugar Mills Limited

NITIKA TANDON
COMPANY SECRETARY

Date: 13.04.2026
Place: Lucknow

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | Nos. of sharehold-ers | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlyin- g Depositor y Receipts | Total nos. shares held | Sharehold- ing % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlyin- g Outstandi- ng convertibl e securities (Including Warrants) | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | Sharehold- ing, as a % assuming full conversion of convertibl e securities (as a percentage of | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in demateri- alised form | | |
|--|------|-----------------------|---|-----------------------------------|---|------------------------|--|--|-------------|-------|---|---|---|----------------------------|---------|--|---------|---|--------------------------------|---|
| | | | | | | | | No of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) | |
| | | | | | | | | Class eg: X | Class eg: y | Total | | | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+ | (VIII) As a % of | (IX) | | | (X) | (XI) = (VII)+(X) | (XII) = (VIII)+(X) | (XIII) | (IV) | | (XV) | | | |
| 1 | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| 2 | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |

For K. M. Sugar Mills Limited

RITIKA TANDON
COMPANY SECRETARY



Dte: 13.04.2026
Place: Lucknow

| Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | | | | | | | | | | | |
|---|--------------------------|--|-------------|---------------------------------|--|-------------|---|---------------|--|---------------------|-----------------------------------|--|
| Table V - Statement Showing Details of Significant beneficial Owners (SBOs) | | | | | | | | | | | | |
| Sr.No. | Details of the SBO | | | Details of the Registered Owner | | | Details of Holding/ exercise of right of the SBO in the reporting company, Whether direct or Indirect | | | | | Date of creation / acquisition of significant beneficial interest (IV) |
| | (I) | | | (II) | | | (III) | | | | | |
| | Name | PAN/Passport No. in case of a foreign national | Nationality | Name | PAN/Passport No. in case of a foreign national | Nationality | Shares | Voting Rights | Rights of distributable dividend or any other distribution | Exercise of control | Exercise of significant influence | |
| 1 | Aditya Jhunjhunwala | AANPJ0923C | INDIA | MARVEL BUSINESS PRIVATE LIMITED | AABCM7231K | INDIA | 125948817 | 18.87 | | NO | NO | 24.05.2005 |
| 2 | Lakshmikant Jhunjhunwala | AEJPJ8858E | INDIA | LAKSHMIKANT DWARKADAS | AAHL9403N | INDIA | 24368500 | 26.49 | | NO | NO | 01.02.2012 |

| Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | |
|---|-----------------------|-----------------|
| K M Sugar Mills Limited | | |
| Table VI - Statement showing foreign ownership limits | | |
| | Board approved limits | Limits utilized |
| As on shareholding date | 100.00 | 0.47 |
| As on the end of previous 1st quarter | 100.00 | 1.37 |
| As on the end of previous 2nd quarter | 100.00 | 1.31 |
| As on the end of previous 3rd quarter | 100.00 | 1.31 |
| As on the end of previous 4th quarter | 100.00 | 1.19 |

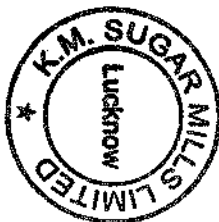
Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | | |
|----|---|----------------|
| 1. | Name of Listed Entity: K M Sugar Mills Limited | |
| 2. | Scrip Code/Name of Scrip/Class of Security: 532673 | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | Reg. 31(1)(b) |
| | a. If under 31(1)(b) then indicate the report for Quarter ending as on | 13.04.2026 |
| | b. If under 31(1)(c) then indicate date of allotment/extinguishment | Not Applicable |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | |

| | Particulars | Yes | No |
|---|--|-----|----|
| a | Whether the Listed Entity has issued any partly paid up shares? | | No |
| b | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| c | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| d | Whether the Listed Entity has any shares in locked-in? | | No |
| e | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| f | Whether company has equity shares with differential voting rights? | | No |
| g | Whether the listed entity has any significant beneficial owner? | Yes | |

For K M Sugar Mills Limited


 RITIKA TANDON
 COMPANY SECRETARY



Date: 13.04.2026
 Place: Lucknow

Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total No. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | Total No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP, etc.) | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|--------------------------|---|--|-------------|----------|--|---|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eq: X | Class eq: y | Total | | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+ (VI) | (VIII) As a % of (A+B+C2) | (IX) | | | (X) | (XI) = (VII)-(X) | (XII) = (VII)-(X) As a % of (A+B+C2) | (XIII) | (XIV) | (XV) | | | |
| (A) | Promoter & Promoter Group | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 0 | 51991499 | 56.51 | 0 | 0 | 0 | 0 | 51991499 |
| (B) | Public | 53008 | 40008671 | 0 | 0 | 40008671 | 43.49 | 40008671 | 0 | 40008671 | 43.49 | 0 | 40008671 | 43.49 | 0 | 0 | 0 | 0 | 40008671 |
| (C) | Non Promoter - Non Public | | | | | | | | | | | | | | | | | | |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| | Total | 53020 | 92000170 | 0 | 0 | 92000170 | 100.00 | 92000170 | 0 | 92000170 | 100.00 | 0 | 92000170 | 100.00 | 0 | 0 | 0 | 0 | 91999140 |

For K M Sugar Mills Limited

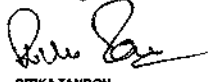
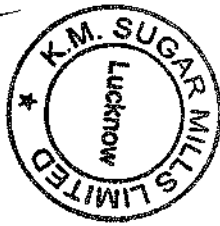
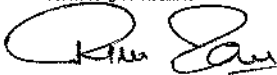

RITIKA TANDON
COMPANY SECRETARYDate: 13.04.2026
Place: Lucknow

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Category & Name of the shareholders | Entity Type | PAN | No. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total Acq. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including ESOP, Convertible Securities etc.) | Shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | ing, as a % assuming full conversion of convertible securities (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|-------------------------------------|--|----------------|---------------------|---|-----------------------------------|--|------------------------|---|--|-------------|-------------------------------------|--|---|---|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | | No. of Voting Rights | | Total as a % of Total Voting Rights | | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: X | Class eg: y | | | | | | | | | |
| | | | | | | | (VII) = (N)+(V)+(VI) | (VIII) As a % of (A+B+C2) | (IX) | | | (X) | (XI) = (VII)+(X) As a % of (A+B+C2) | (XII) | (XIII) | (XIV) | (XV) | | |
| 1 | Indian | | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | 6 | 36832811 | 0 | 0 | 36832811 | 40.04 | 36832811 | 0 | 36832811 | 40.04 | 36832811 | 40.04 | 0 | 0.00 | 0 | 0.00 | 36832811 |
| | Lakshmi Kant Jhunjhunwala* | Promoters | 1 | 14302600 | 0 | 0 | 14302600 | 15.55 | 14302600 | 0 | 14302600 | 15.55 | 14302600 | 15.55 | 0 | 0.00 | 0 | 0.00 | 14302600 |
| | Lakshmi Kanti Dwarikadas HUF | Promoters | 1 | 10065900 | 0 | 0 | 10065900 | 10.94 | 10065900 | 0 | 10065900 | 10.94 | 10065900 | 10.94 | 0 | 0.00 | 0 | 0.00 | 10065900 |
| | Aditya Jhunjhunwala | Promoters | 1 | 5289242 | 0 | 0 | 5289242 | 5.75 | 5289242 | 0 | 5289242 | 5.75 | 5289242 | 5.75 | 0 | 0.00 | 0 | 0.00 | 5289242 |
| | Najma Jhunjhunwala | Promoters | 1 | 4180748 | 0 | 0 | 4180748 | 4.54 | 4180748 | 0 | 4180748 | 4.54 | 4180748 | 4.54 | 0 | 0.00 | 0 | 0.00 | 4180748 |
| | Sanjay Jhunjhunwala | Promoter Group | 1 | 2494600 | 0 | 0 | 2494600 | 2.71 | 2494600 | 0 | 2494600 | 2.71 | 2494600 | 2.71 | 0 | 0.00 | 0 | 0.00 | 2494600 |
| | Yashal Jhunjhunwala | Promoters | 1 | 499721 | 0 | 0 | 499721 | 0.54 | 499721 | 0 | 499721 | 0.54 | 499721 | 0.54 | 0 | 0.00 | 0 | 0.00 | 499721 |
| (b) | Central Government / State Governments(s) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Financial Institutions / Banks | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Any Other (Specify) | | 0 | 15158688 | 0 | 0 | 15158688 | 16.48 | 15158688 | 0 | 15158688 | 16.48 | 15158688 | 16.48 | 0 | 0.00 | 0 | 0.00 | 15158688 |
| | Promoter Trust | | 1 | 309329 | 0 | 0 | 309329 | 0.34 | 309329 | 0 | 309329 | 0.34 | 309329 | 0.34 | 0 | 0.00 | 0 | 0.00 | 309329 |
| | Vredhi Trust | Promoter Group | 1 | 188780 | 0 | 0 | 188780 | 0.21 | 188780 | 0 | 188780 | 0.21 | 188780 | 0.21 | 0 | 0.00 | 0 | 0.00 | 188780 |
| | Shivam S Sharewala | Promoter Group | 1 | 120549 | 0 | 0 | 120549 | 0.13 | 120549 | 0 | 120549 | 0.13 | 120549 | 0.13 | 0 | 0.00 | 0 | 0.00 | 120549 |
| | Bodhis Corporate | | 4 | 14849359 | 0 | 0 | 14849359 | 16.14 | 14849359 | 0 | 14849359 | 16.14 | 14849359 | 16.14 | 0 | 0.00 | 0 | 0.00 | 14849359 |
| | Marvel Business Pvt Ltd | Promoter Group | 1 | 12065975 | 0 | 0 | 12065975 | 13.12 | 12065975 | 0 | 12065975 | 13.12 | 12065975 | 13.12 | 0 | 0.00 | 0 | 0.00 | 12065975 |
| | K M Vyapar | Promoter Group | 1 | 2283364 | 0 | 0 | 2283364 | 2.48 | 2283364 | 0 | 2283364 | 2.48 | 2283364 | 2.48 | 0 | 0.00 | 0 | 0.00 | 2283364 |
| | Jhunjhunwala Securities Private | Promoter Group | 1 | 500000 | 0 | 0 | 500000 | 0.54 | 500000 | 0 | 500000 | 0.54 | 500000 | 0.54 | 0 | 0.00 | 0 | 0.00 | 500000 |
| | Francis Commerce Private | Promoter Group | 1 | 20 | 0 | 0 | 20 | 0.00 | 20 | 0 | 20 | 0.00 | 20 | 0.00 | 0 | 0.00 | 0 | 0.00 | 20 |
| | Sub Total (A)(I) | | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 51991499 | 56.51 | 0 | 0.00 | 0 | 0.00 | 51991499 |
| 2 | Foreign | | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (b) | Government | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Institutions | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Foreign Portfolio Investor | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (e) | Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Sub Total (A)(2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Total Shareholding Of Promoter And Promoter Group (A)- (A)(1)+(A)(2) | | 12 | 51991499 | 0 | 0 | 51991499 | 56.51 | 51991499 | 0 | 51991499 | 56.51 | 51991499 | 56.51 | 0 | 0.00 | 0 | 0.00 | 51991499 |

*Mr. Lakshmi Kant Jhunjhunwala, one of the Promoters of the Company, has demised, and the shares held by him are currently under transmission.

For K M Sugar Mills Limited



RITIKA TANDON
COMPANY SECRETARY

Date: 13.04.2026
Place: Lucknow



Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

K M Sugar Mills Limited

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | PAN | No. of shares/FR | No. of fully paid up equity shares held | Partly paid up equity shares held | No. of shares underlying | Total nos. shares held | Shareholding % calculated as on SCRR, 1957 As a % of (VII) + (VIII) + (IX) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding | Total No of shares on fully diluted basis | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or held in | Number of equity shares held in dematerialized form |
|--|-----|------------------|---|-----------------------------------|--------------------------|------------------------|--|--|-----------|-----------|--------------------------------------|---|---|----------------------------|----------|-------------------------------------|---|
| | | | | | | | | Class (a) | Class (b) | Class (c) | | | | Fig. (a) | Fig. (b) | | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (b) Venture Capital Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) Alternative Investment Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) Banks | | 1 | 485 | 0 | 0 | 485 | 0.00 | 485 | 0 | 485 | 0 | 0.00 | 0 | 0 | 0 | 0 | 485 |
| (e) Insurance Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (f) Provident Funds/ Pension Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (g) Asset Reconstruction Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (h) Sovereign Wealth Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (i) NRIFs (notified only NRIF) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (j) Other Financial Institutions | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (k) Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (1A) | | 1 | 485 | 0 | 0 | 485 | 0.00 | 485 | 0 | 485 | 0 | 0.00 | 0 | 0 | 0 | 0 | 485 |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (b) Foreign Venture Capital Investors | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) Overseas Wealth Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) Foreign Portfolio Investors Category I | | 2 | 171592 | 0 | 0 | 171592 | 0.19 | 171592 | 0 | 171592 | 0 | 0.19 | 0 | 0 | 0 | 0 | 171592 |
| (e) Foreign Portfolio Investors Category II | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (f) Overseas Depositories/holding DRs (Residing Abroad) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (g) Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (2A) | | 2 | 171592 | 0 | 0 | 171592 | 0.19 | 171592 | 0 | 171592 | 0 | 0.19 | 0 | 0 | 0 | 0 | 171592 |
| 3 Central Government / State Government(s) | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | 1 | 500 | 0 | 0 | 500 | 0.00 | 500 | 0 | 500 | 0 | 0.00 | 0 | 0 | 0 | 0 | 500 |
| (b) State Government / Government | | 1 | 1140 | 0 | 0 | 1140 | 0.00 | 1140 | 0 | 1140 | 0 | 0.00 | 0 | 0 | 0 | 0 | 1140 |
| Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (3A) | | 2 | 1640 | 0 | 0 | 1640 | 0.00 | 1640 | 0 | 1640 | 0 | 0.00 | 0 | 0 | 0 | 0 | 1640 |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | |
| (a) Associate company / Subsidiaries | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (b) Officers and their relatives (including independent Directors and ordinary Directors) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) Key Managerial Personnel | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Relatives of promoters (other than 'immediate relatives' of promoters) disclosed under 'Promoter and Promoter Group' category | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'Trustee', 'Beneficiary', or 'Settlor of the trust' | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (e) Investor Education and Protection Fund (IEPF) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (f) Resident Individual holding nominal share capital up to Rs. 2 Lakh. | | 5032 | 26859450 | 0 | 0 | 26859450 | 29.20 | 26859450 | 0 | 26859450 | 0 | 29.20 | 0 | 0 | 0 | 0 | 26859450 |
| (g) II. Resident Individual holding nominal share capital in excess of Rs. 2 Lakh. | | 15 | 8849195 | 0 | 0 | 8849195 | 9.62 | 8849195 | 0 | 8849195 | 0 | 9.62 | 0 | 0 | 0 | 0 | 8849195 |
| Madhu Prakash Munyavasta | | | 1599384 | 0 | 0 | 1599384 | 1.74 | 1599384 | 0 | 1599384 | 0 | 1.74 | 0 | 0 | 0 | 0 | 1599384 |
| Manian K. Thangavela | | | 1675000 | 0 | 0 | 1675000 | 1.82 | 1675000 | 0 | 1675000 | 0 | 1.82 | 0 | 0 | 0 | 0 | 1675000 |
| Mr. Shalja Jain | | | 1651403 | 0 | 0 | 1651403 | 1.79 | 1651403 | 0 | 1651403 | 0 | 1.79 | 0 | 0 | 0 | 0 | 1651403 |
| Mishra - R. Prithvishankar | | | 2433140 | 0 | 0 | 2433140 | 2.65 | 2433140 | 0 | 2433140 | 0 | 2.65 | 0 | 0 | 0 | 0 | 2433140 |
| (h) Non Resident Indians (NRIs) | | 352 | 932412 | 0 | 0 | 932412 | 1.00 | 932412 | 0 | 932412 | 0 | 1.00 | 0 | 0 | 0 | 0 | 932412 |
| (i) Foreign Nationals | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (j) Foreign Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (k) Bodies Corporate | | 80 | 1395239 | 0 | 0 | 1395239 | 1.51 | 1395239 | 0 | 1395239 | 0 | 1.51 | 0 | 0 | 0 | 0 | 1395239 |
| (l) Any Other (Specify) | | 120 | 1807456 | 0 | 0 | 1807456 | 1.96 | 1807456 | 0 | 1807456 | 0 | 1.96 | 0 | 0 | 0 | 0 | 1807456 |
| Body Corp-16 (Library Partnership) | | | 110963 | 0 | 0 | 110963 | 0.12 | 110963 | 0 | 110963 | 0 | 0.12 | 0 | 0 | 0 | 0 | 110963 |
| Winds (unincorporated Entity) | | | 1644021 | 0 | 0 | 1644021 | 1.77 | 1644021 | 0 | 1644021 | 0 | 1.77 | 0 | 0 | 0 | 0 | 1644021 |
| Classical Member | | | 48785 | 0 | 0 | 48785 | 0.05 | 48785 | 0 | 48785 | 0 | 0.05 | 0 | 0 | 0 | 0 | 48785 |
| Sub Total (4A) | | 5000 | 39834954 | 0 | 0 | 39834954 | 43.39 | 39834954 | 0 | 39834954 | 0 | 43.39 | 0 | 0 | 0 | 0 | 39834954 |
| Total Public Shareholding (1A + 2A + 3A + 4A) | | 53008 | 40008673 | 0 | 0 | 40008673 | 43.49 | 40008673 | 0 | 40008673 | 0 | 43.49 | 0 | 0 | 0 | 0 | 40008673 |

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| | | |
|---------------------|---------------|---|
| No. of shareholders | No. of Shares | % |
| 0 | 0 | 0 |

Details of Shares which remain undematerialized may be given here along with details such as number of shareholders, outstanding share held in demat/unincorporated suspense account, voting rights which are frozen etc.

| | |
|---------------------|---------------|
| No. of shareholders | No. of Shares |
| 0 | 0 |

For K M Sugar Mills Limited

Ritika Tandon

RITIKA TANDON
COMPANY SECRETARY

Date: 13.04.2026
Place: Lucknow




Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including ESOP, Convertible securities) | of shares on fully diluted basis (including warrants, ESOP, Convertible securities) | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|--|------|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|-------|---|---|--|----------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+ (vi) | (viii) As a % of | (ix) | | | (x) | (xi) = (vii)+(x) | (xii) = (vii)+(x) | (xiii) | (xiv) | (xv) | | | |
| 1. Custodian/DR Holder | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | NA | NA | 0 | |
| 2. Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | NA | NA | 0 | |
| Total Non-Promoter- Non Public Shareholding (C) = (C)(1)+(C)(2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | NA | NA | 0 | |

For K M Sugar Mills Limited



RITIKA TANDON
COMPANY SECRETARY



Date: 13.04.2026
Place: Lucknow

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

K M Sugar Mills Limited

Table V - Statement Showing Details of Significant beneficial Owners (SBOs)

| Sr.No. | Details of the SBO | | | Details of the Registered Owner | | | Details of Holding/ exercise of right of the SBO in the reporting company, Whether direct or Indirect | | | | | Date of creation / acquisition of significant beneficial interest (IV) | |
|--------|-------------------------|--|-------------|---------------------------------|--|-------------|---|---------------|--|---------------------|-----------------------------------|--|------------|
| | (i) | | | (ii) | | | (iii) | | | | | | |
| | Name | PAN/Passport No. in case of a foreign national | Nationality | Name | PAN/Passport No. in case of a foreign national | Nationality | Whether by Virtue of: | | | | | | |
| | | | | | | | Shares | Voting Rights | Rights of distributable dividend or any other distribution | Exercise of control | Exercise of significant influence | | |
| 1 | Aditya Jhunjunwala | AANPJ0923C | INDIA | MARVEL BUSINESS PRIVATE LIMITED | AABCM7231K | INDIA | 1.26E+08 | 18.87 | | | NO | NO | 24.05.2005 |
| 2 | Lakshmikant Jhunjunwala | AEJPI8858E | INDIA | LAKSHMIKANT DWARKADAS | AAAHL9403N | INDIA | 24368500 | 26.49 | | | NO | NO | 01.02.2012 |

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

K M Sugar Mills Limited

Table VI - Statement showing foreign ownership limits

| | Board approved limits | Limits utilized |
|--|------------------------------|------------------------|
| As on shareholding date | 100.00 | 0.47 |
| As on the end of previous 1st quarter | 100.00 | 1.37 |
| As on the end of previous 2nd quarter | 100.00 | 1.31 |
| As on the end of previous 3rd quarter | 100.00 | 1.31 |
| As on the end of previous 4th quarter | 100.00 | 1.19 |


Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | | | |
|----|---|---|----------------|
| 1. | Name of Listed Entity: KM Spirits And Allied Industries Limited | | |
| 2. | Scrip Code/Name of Scrip/Class of Security: Equity Shares | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | Reg. 31(1)(b) |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending as on | 13.04.2025 |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | Not Applicable |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |

| | Particulars* | Yes | No |
|---|--|-----|----|
| a | Whether the Listed Entity has issued any partly paid up shares? | | No |
| b | Whether the Listed Entity has issued any Convertible Securities or Warrants? | | No |
| c | Whether the Listed Entity has any shares against which depository receipts are issued? | | No |
| d | Whether the Listed Entity has any shares in locked-in? | | No |
| e | Whether any shares held by promoters are pledge or otherwise encumbered? | | No |
| f | Whether company has equity shares with differential voting rights? | | No |
| g | Whether the listed entity has any significant beneficial owner? | Yes | |

* Upon the effectiveness of the Scheme of Arrangement, the equity shares of the Resulting Company shall be listed on BSE and NSE, subject to necessary applications and approvals obtained in this regard.

For KM Spirits And Allied Industries Limited



- Name :- Hari Nath
- Designation :- Director

Date: 13.04.2025

Place: Lucknow

Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

KM Spirits and Allied Industries Limited

Table 1 - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total No. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (Including Warrants, etc.) | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|----------|-------------------------------|----------------------|---|--|--|--------------------------|---|--|-------------|-----------------|--|---|---|----------------------------|----------|--|----------|---|--------------------------------|
| | | | | | | | | No of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+(vi) | (viii) As a % of (A+B+C2) | (ix) | | | (x) | (xi) = (vii)+(x) | (xii) = (viii)-(x) As a % of (A+B+C2) | (xiii) | (xiv) | (xv) | | | |
| (A) | Promoter & Promoter Group | 12 | 10398300 | 0 | 0 | 10398300 | 56.51 | 10398300 | 0 | 10398300 | 56.51 | 0 | 0 | 0 | 0 | 0 | 0 | 10398300 | |
| (B) | Public | 53008 | 8001734 | 0 | 0 | 8001734 | 43.49 | 8001734 | 0 | 8001734 | 43.49 | 0 | 0 | 0 | 0 | 0 | 0 | 8001734 | |
| (C) | Non Promoter - Non Public | | | 0 | 0 | | | | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | | |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (C2) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Total | 53020 | 18400034 | 0 | 0 | 18400034 | 100.00 | 18400034 | 0 | 18400034 | 100.00 | 0 | 0 | 0 | 0 | 0 | 0 | 18400034 | |

For KM Spirits And Allied industries limited

Hari Nath
 • Name :- Hari Nath
 • Designation :- Director

Date: 13.04.2026
 Place: Lucknow

Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
KM Spirits and Allied Industries Limited

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| | Category & Name of the shareholders | Entity Type | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities) | Shareholding, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|-----|--|----------------|------|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------|----------|---|--|---|-------------------------------------|---------|--|---------|---|---------------------------------|
| | | | | | | | | | | No of Voting Rights | | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | |
| | (i) | | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+(vi) | (viii) As a % of (A+B+C2) | (ix) | | | (x) | (xi) = (viii)+(x) | (xii) As a % of | (xiii) | (xiv) | (xv) | (xvi) | | |
| 1 | Indian | | | | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | 6 | 7366562 | 0 | 0 | 7366562 | 40.04 | 7366562 | 0 | 7366562 | 40.04 | 0 | 7366562 | 40.04 | 0 | 0.00 | 0 | 0.00 | 7366562 |
| | Lakshmi Kant Jhunjhunwala** | Promoters | | 1 | 2860520 | 0 | 0 | 2860520 | 15.55 | 2860520 | 0 | 2860520 | 15.55 | 0 | 2860520 | 15.55 | 0 | 0.00 | 0 | 0.00 | 2860520 |
| | Lakshmi Kant Dwarakadas HUF | Promoters | | 1 | 2013180 | 0 | 0 | 2013180 | 10.94 | 2013180 | 0 | 2013180 | 10.94 | 0 | 2013180 | 10.94 | 0 | 0.00 | 0 | 0.00 | 2013180 |
| | Aditya Jhunjhunwala | Promoters | | 1 | 1057848 | 0 | 0 | 1057848 | 5.75 | 1057848 | 0 | 1057848 | 5.75 | 0 | 1057848 | 5.75 | 0 | 0.00 | 0 | 0.00 | 1057848 |
| | Naina Jhunjhunwala | Promoters | | 1 | 836150 | 0 | 0 | 836150 | 4.54 | 836150 | 0 | 836150 | 4.54 | 0 | 836150 | 4.54 | 0 | 0.00 | 0 | 0.00 | 836150 |
| | Sanjay Jhunjhunwala | Promoter Group | | 1 | 498920 | 0 | 0 | 498920 | 2.71 | 498920 | 0 | 498920 | 2.71 | 0 | 498920 | 2.71 | 0 | 0.00 | 0 | 0.00 | 498920 |
| | Vaisali Jhunjhunwala | Promoters | | 1 | 99944 | 0 | 0 | 99944 | 0.54 | 99944 | 0 | 99944 | 0.54 | 0 | 99944 | 0.54 | 0 | 0.00 | 0 | 0.00 | 99944 |
| (b) | Central Government / State Government(s) | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Financial Institutions / Banks | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Any Other (Specify) | | | 6 | 3031738 | 0 | 0 | 3031738 | 16.48 | 3031738 | 0 | 3031738 | 16.48 | 0 | 3031738 | 16.48 | 0 | 0 | 0 | 0 | 3031738 |
| | Promoter Trust | | | 2 | 61866 | 0 | 0 | 61866 | 0.34 | 61866 | 0 | 61866 | 0.34 | 0 | 61866 | 0.34 | 0 | 0 | 0 | 0 | 61866 |
| | Widhi Trust | Promoter Group | | 1 | 37756 | 0 | 0 | 37756 | 0.21 | 37756 | 0 | 37756 | 0.21 | 0 | 37756 | 0.21 | 0 | 0 | 0 | 0 | 37756 |
| | Shivani S Shorewala | Promoter Group | | 1 | 24110 | 0 | 0 | 24110 | 0.13 | 24109.8 | 0 | 24110 | 0.13 | 0 | 24110 | 0.13 | 0 | 0 | 0 | 0 | 24110 |
| | Bodyes Corporate | | | 4 | 2969872 | 0 | 0 | 2969872 | 16.14 | 2969871.8 | 0 | 2969872 | 16.14 | 0 | 2969872 | 16.14 | 0 | 0 | 0 | 0 | 2969872 |
| | Marvel Business Pvt Ltd | Promoter Group | | 1 | 2413195 | 0 | 0 | 2413195 | 13.12 | 2413195 | 0 | 2413195 | 13.12 | 0 | 2413195 | 13.12 | 0 | 0 | 0 | 0 | 2413195 |
| | K M Vyapar | Promoter Group | | 1 | 456673 | 0 | 0 | 456673 | 2.48 | 456672.8 | 0 | 456673 | 2.48 | 0 | 456673 | 2.48 | 0 | 0 | 0 | 0 | 456673 |
| | Jhunjhunwala Securities Private | Promoter Group | | 1 | 100000 | 0 | 0 | 100000 | 0.54 | 100000 | 0 | 100000 | 0.54 | 0 | 100000 | 0.54 | 0 | 0 | 0 | 0 | 100000 |
| | Francoise Commerce Private | Promoter Group | | 1 | 4 | 0 | 0 | 4 | 0.00 | 4 | 0 | 4 | 0.00 | 0 | 4 | 0.00 | 0 | 0 | 0 | 0 | 4 |
| | Sub Total (A)(1) | | | 12 | 10398300 | 0 | 0 | 10398300 | 56.51 | 10398300 | 0 | 10398300 | 56.51 | 0 | 10398300 | 56.51 | 0 | 0 | 0 | 0 | 10398300 |
| 2 | Foreign | | | | | | | | | | | | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (b) | Government | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (c) | Institutions | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (d) | Foreign Portfolio Investor | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| (e) | Any Other (Specify) | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Sub Total (A)(2) | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2) | | | 12 | 10398300 | 0 | 0 | 10398300 | 56.51 | 10398300 | 0 | 10398300 | 56.51 | 0.00 | 10398300 | 56.51 | 0.00 | 0.00 | 0.00 | 0.00 | 10398300 |

**Mr. Lakshmi Kant Jhunjhunwala, one of the Promoters of the Company, has demised, and the shares held by him are currently under transmission.

For KM Spirits And Allied Industries Limited

Harish
 * Name :- Harish
 * Designation :- Director
 Date: 13.04.2025
 Place: Lucknow

Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
KM Spirits and Allied Industries Limited

Table III - Statement showing shareholding pattern of the Public shareholder

| Category & Name of the shareholders | PAN | Nos. of shares held | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding | Total No. of shares on fully diluted basis (XII) = (XIII)+(XIV) | Shareholding, as a % assuming full conversion of | Number of Locked in shares | | Number of Shares pledged or | | Number of equity shares held in dematerialised form |
|---|-----|---------------------|---|-----------------------------------|--------------------------|------------------------|---|--|---------------|----------------|--------------------------------------|---|--|----------------------------|-----------------------------------|------------------------------------|-------------------------------------|---|
| | | | | | | | | Class. eq. I | Class. eq. II | Total | | | | As a % of Total (XV) | As a % of total Shares held (XVI) | As a % of total Shares held (XVII) | As a % of total Shares held (XVIII) | |
| 1 Institutions (Domestic) | | | | | | | | | | | | | | | | | | |
| (a) Mutual Fund | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Venture Capital Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Alternate Investment Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Banks | | 1 | 97 | 0 | 0 | 97 | 0.08 | 97 | 0 | 97 | 0.00 | 0 | 97 | 0.00 | 0 | 0 | 0 | 97 |
| (e) Insurance Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Provident Funds / Pension Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) Asset Reconstruction Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) Sovereign Wealth Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) NBFCs registered with RBI | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (j) Other Financial Institutions | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (k) Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B)(1) | | 1 | 97 | 0 | 0 | 97 | 0.08 | 97 | 0 | 97 | 0.00 | 0 | 97 | 0.00 | 0 | 0 | 0 | 97 |
| 2 Institutions (Foreign) | | | | | | | | | | | | | | | | | | |
| (a) Foreign Direct Investment | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) Foreign Venture Capital Investors | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Sovereign Wealth Funds | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Foreign Portfolio Investors Category I | | 2 | 34318 | 0 | 0 | 34318 | 0.13 | 34318 | 0 | 34318 | 0.13 | 0 | 34318 | 0.13 | 0 | 0 | 0 | 34318 |
| (e) Foreign Portfolio Investors Category II | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Overseas Depositories/ Holding Divs (Outstanding Equity) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) Any Other (Specify) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B)(2) | | 2 | 34318 | 0 | 0 | 34318 | 0.13 | 34318 | 0 | 34318 | 0.13 | 0 | 34318 | 0.13 | 0 | 0 | 0 | 34318 |
| 3 Central Government/ State Government(s) | | | | | | | | | | | | | | | | | | |
| (a) Central Government / President of India | | 1 | 100 | 0 | 0 | 100 | 0.08 | 100 | 0 | 100 | 0.00 | 0 | 300 | 0.00 | 0 | 0 | 0 | 100 |
| (b) State Government / Governor | | 1 | 228 | 0 | 0 | 228 | 0.09 | 228 | 0 | 228 | 0.00 | 0 | 228 | 0.00 | 0 | 0 | 0 | 228 |
| (c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total (B)(3) | | 2 | 328 | 0 | 0 | 328 | 0.00 | 328 | 0 | 328 | 0.00 | 0 | 328 | 0.00 | 0 | 0 | 0 | 328 |
| 4 Non-Institutions | | | | | | | | | | | | | | | | | | |
| (a) Associate companies / Subsidiaries | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (b) Directors and their relatives (including Independent Directors and non/ ex-Directors) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (c) Key Managerial Personnel | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (e) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'Trustee', 'Beneficiary', or 'Member of the trust' | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (f) Investor Education and Protection Fund (IEPF) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (g) I. Resident Individual holding nominal share capital up to Rs. 2 lakhs. | | 5207 | 571890 | 0 | 0 | 571890 | 29.20 | 571890 | 0 | 571890 | 29.20 | 0 | 571890 | 29.20 | 0 | 0 | 0 | 571890 |
| (g) II. Resident Individual holding nominal share capital in excess of Rs. 2 lakhs. | | 35 | 1769879 | 0 | 0 | 1769879 | 9.62 | 1769879 | 0 | 1769879 | 9.62 | 0 | 1769879 | 9.62 | 0 | 0 | 0 | 1769879 |
| (h) Madhu Prakash Thaparwala | | 1 | 319877 | 0 | 0 | 319877 | 1.74 | 319877 | 0 | 319877 | 1.74 | 0 | 319877 | 1.74 | 0 | 0 | 0 | 319877 |
| (h) Manjari K Thaparwala | | 1 | 335000 | 0 | 0 | 335000 | 1.82 | 335000 | 0 | 335000 | 1.82 | 0 | 335000 | 1.82 | 0 | 0 | 0 | 335000 |
| (h) Mrs. Shobha Jain | | 1 | 330281 | 0 | 0 | 330281 | 1.79 | 330281 | 0 | 330281 | 1.79 | 0 | 330281 | 1.79 | 0 | 0 | 0 | 330281 |
| (h) Umadevi Jhumunwadia | | 1 | 487870 | 0 | 0 | 487870 | 2.65 | 487870 | 0 | 487870 | 2.65 | 0 | 487870 | 2.65 | 0 | 0 | 0 | 487870 |
| (i) Non Resident Indians (NRIs) | | 352 | 184682 | 0 | 0 | 184682 | 1.00 | 184682 | 0 | 184682 | 1.00 | 0 | 184682 | 1.00 | 0 | 0 | 0 | 184682 |
| (j) Foreign Nationals | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (k) Foreign Companies | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| (l) Bodies Corporate | | 80 | 279048 | 0 | 0 | 279048 | 1.52 | 279048 | 0 | 279048 | 1.52 | 0 | 279048 | 1.52 | 0 | 0 | 0 | 279048 |
| (m) Any Other (Specify) | | 529 | 361492 | 0 | 0 | 361492 | 1.96 | 361492 | 0 | 361492 | 1.96 | 0 | 361492 | 1.96 | 0 | 0 | 0 | 361492 |
| Body Corp-tot Liability Partnership | | 8 | 22132 | 0 | 0 | 22132 | 0.12 | 22132 | 0 | 22132 | 0.12 | 0 | 22132 | 0.12 | 0 | 0 | 0 | 22132 |
| Hindu Undivided Family | | 509 | 329602 | 0 | 0 | 329602 | 1.79 | 329602 | 0 | 329602 | 1.79 | 0 | 329602 | 1.79 | 0 | 0 | 0 | 329602 |
| Cleaning Member | | 12 | 9757 | 0 | 0 | 9757 | 0.05 | 9757 | 0 | 9757 | 0.05 | 0 | 9757 | 0.05 | 0 | 0 | 0 | 9757 |
| Sub Total (B)(4) | | 5903 | 796893 | 0 | 0 | 796893 | 43.80 | 796893 | 0 | 796893 | 43.80 | 0 | 796893 | 43.80 | 0 | 0 | 0 | 796893 |
| Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4) | | | 8001734 | 0 | 0 | 8001734 | 43.49 | 8001734 | 0 | 8001734 | 43.49 | 0 | 8001734 | 43.49 | 0 | 0 | 0 | 8001734 |

* Query shares of the Resulting Company shall be issued in dematerialised form. Eligible shareholders holding shares in physical form, are required to furnish their demat account details prior to the Record Date, failing which such shares shall be credited to a Demat Suspense Account and may be claimed in accordance with Applicable Laws.

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

| No. of shareholders | No. of Shares | % |
|---------------------|---------------|---|
| 0 | 0 | 0 |

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

| No. of shareholders | No. of Shares |
|---------------------|---------------|
| 0 | 0 |

For KM Spirits And Allied Industries Limited

Name :- Harj Nath
 Designation :- Director

Date: 13.04.2026
 Place: Lucknow

Harj Nath

Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

KM Spirits and Allied Industries Limited

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | Shares Underlying Outstanding convertible securities (including | of shares on fully diluted basis (including warrants, ESOP, Convertible securities | ing, as a % assuming full conversion of convertible securities | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|---|------|----------------------|---|-----------------------------------|--|------------------------|--|--|-------------------------|-------|---|--|--|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | No. of Voting Rights | Total as a % of (A+B+C) | Total | | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+ (VI) | (VIII) As a % of (A+B+C2) | Class eg: X | Class eg: y | Total | (X) | (XI) = (VII)+(X) | (XII) = (VII)+(X) | (XIII) | (IV) | (XV) | | |
| 1 Custodian/DR Holder | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2) | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

For KM Spirits And Allied Industries Limited



- Name :- Harj Nath
- Designation :- Director

Date: 13.04.2026
Place: Lucknow

Table V - Statement Showing Details of Significant beneficial Owners (SBOs)

| Sr.No. | Details of the SBO | | | Details of the Registered Owner | | | Details of Holding/ exercise of right of the SBO in the reporting company, Whether direct or Indirect | | | | | Date of creation / acquisition of significant beneficial interest (IV) |
|--------|------------------------------|--|-------------|--|--|-------------|--|---|------------------------|---|----|--|
| | (I) | | | (II) | | | (III) | | | | | |
| | Name | PAN/Passport No. in case of a foreign national | Nationality | Name | PAN/Passpor t No. in case of a foreign national | Nationality | Whether by Virtue of : | | | | | |
| | | | | | | Shares | Voting Rights | Rights of distributable dividend or any other distribution | Exercise of control | Exercise of significant influence | | |
| 1 | Aditya Jhunjhunwala | AANPJ0932C | Indian | MARVEL BUSINESS PRIAVTE LIMITED | AABCM7231K | INDIAN | 125948817 | 18.87 | | NO | NO | 24.05.2005 |
| 2 | Lakshmi Kant Jhunjhunwala | AEJPJ8858E | Indian | LAKSHMIKANT DWARIKA DAS | AA AHL9403N | INDIAN | 24368500 | 26.49 | | NO | NO | 01.02.2012 |

Post Shareholding Pattern under Regulation 31 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

KM Spirits and Allied Industries Limited

Table VI - Statement showing foreign ownership limits

| | Board approved limits | Limits utilized |
|--|------------------------------|------------------------|
| As on shareholding date | 100.00 | 0.47 |
| As on the end of previous 1st quarter | 100.00 | 1.37 |
| As on the end of previous 2nd quarter | 100.00 | 1.31 |
| As on the end of previous 3rd quarter | 100.00 | 1.31 |
| As on the end of previous 4th quarter | 100.00 | 1.19 |

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| | | | |
|----|---|--|----------------|
| 1. | Name of Listed Entity: KM Spirits And Allied Industries Limited | | |
| 2. | Scrp Code/Name of Scrp/Class of Security: Equity Shares | | |
| 3. | Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) | | Reg. 31(1)(b) |
| | a. | If under 31(1)(b) then indicate the report for Quarter ending as on | 13.04.2026 |
| | b. | If under 31(1)(c) then indicate date of allotment/extinguishment | Not Applicable |
| 4. | Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:- | | |
| | | Particulars | Yes No |
| | a | Whether the Listed Entity has issued any partly paid up shares? | No |
| | b | Whether the Listed Entity has issued any Convertible Securities or Warrants? | No |
| | c | Whether the Listed Entity has any shares against which depository receipts are issued? | No |
| | d | Whether the Listed Entity has any shares in locked-in? | No |
| | e | Whether any shares held by promoters are pledge or otherwise encumbered? | No |
| | f | Whether company has equity shares with differential voting rights? | No |
| | g | Whether the listed entity has any significant beneficial owner? | No |

For KM Spirits And Allied Industries Limited

Hari Nath

- Name :- Hari Nath
- Designation :- Director

Date: 13.04.2026

Place: Lucknow

Table I - Summary Statement holding of specified securities

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.) | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
|----------|-------------------------------|----------------------|---|--|--|------------------------|---|--|-------------|-------|-------------------------|---|---|---|----------------------------|--------------------------------|--|--------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) = (iv)+(v)+(vi) | (viii) As a % of (A+B+C2) | (ix) | | | (x) | (xi)=(vii)+(x) | (xii) = (vii)+(x) As a % of (A+B+C2) | (xiii) | (xiv) | (xv) | | | |
| (A) | Promoter & Promoter Group* | 7 | 50000 | 0 | 0 | 50000 | 100.00 | 50000 | 0 | 50000 | 100.00 | 0 | 50000 | 100.00 | 0 | 0 | 0 | 0 | 50000 |
| (B) | Public | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C) | Non Promoter - Non Public | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares Held By Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| | Total | 7 | 50000 | 0 | 0 | 50000 | 100.00 | 50000 | 0 | 50000 | 100.00 | 0 | 50000 | 100.00 | 0 | 0 | 0 | 0 | 50000 |

*KM Spirits And Allied Industries Limited is a wholly-owned subsidiary of K M Sugar Mills Limited, which, along with its six nominee shareholders, holds 100% of the share capital of the Company.

For KM Spirits And Allied industries Limited

Hari Nath

+ Name :- Hari Nath
+ Designation :- Director

Date: 13.04.2026
Place: Lucknow

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

KM Spirits And Allied Industries Limited

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

| Sr. No. | Category & Name of the shareholders | Entity Type | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.) | Total No of shares on fully diluted basis (Including warrants, ESOP, Convertible Securities etc.) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|---------|---|----------------|------|----------------------|---|-----------------------------------|--|------------------------|--|--|--------------------|----------|---|---|--|-------------------------------------|---------|--|---------|---|--------------------------------|
| | | | | | | | | | | No of Voting Rights | | | | | | Total as a % of Total Voting Rights | No. (a) | As a % of total Shares held(b) | No. (a) | | As a % of total Shares held(b) |
| | | | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) = | (IX) As a % of | (X) | (XI) | (XII) = (VIII)+(X) | (XIII) = | (XIV) | (XV) | (XVI) | | | | | | |
| 1 | Indian | | | | | | | | | | | | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | | | 6 | 6 | 0 | 0 | 6 | 0.01 | 6 | 0 | 6 | 0.01 | 0 | 6 | 0.01 | 0 | 0 | 0 | 0 | 6 |
| | Lakshmi Kant Jhunjhunwala** | Promoter | | 1 | 1 | 0 | 0 | 1 | 0.00 | 1 | 0 | 1 | 0.00 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0 | 1 |
| | Aditya Jhunjhunwala | Promoter | | 1 | 1 | 0 | 0 | 1 | 0.00 | 1 | 0 | 1 | 0.00 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0 | 1 |
| | Naina Jhunjhunwala | Promoter Group | | 1 | 1 | 0 | 0 | 1 | 0.00 | 1 | 0 | 1 | 0.00 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0 | 1 |
| | Priti Jhunjhunwala | Promoter Group | | 1 | 1 | 0 | 0 | 1 | 0.00 | 1 | 0 | 1 | 0.00 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0 | 1 |
| | Hari Nath | Promoter | | 1 | 1 | 0 | 0 | 1 | 0.00 | 1 | 0 | 1 | 0.00 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0 | 1 |
| | Mohit Agarwal | Promoter | | 1 | 1 | 0 | 0 | 1 | 0.00 | 1 | 0 | 1 | 0.00 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0 | 1 |
| (b) | Central Government / State Government(s) | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (c) | Financial Institutions / Banks | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| (d) | Any Other (Specify) | | | | | | | | | | | | | | | | | | | | |
| | Bodies Corporate | | | 1 | 49994 | 0 | 0 | 49994 | 99.99 | 49994 | 0 | 49994 | 99.99 | 0 | 49994 | 99.99 | 0 | 0 | 0 | 0 | 49994 |
| | K M Sugar Mills Limited* | Promoter | | 1 | 49994 | 0 | 0 | 49994 | 99.99 | 49994 | 0 | 49994 | 99.99 | 0 | 49994 | 99.99 | 0 | 0 | 0 | 0 | 49994 |
| | Sub Total (A)(1) | | | 7 | 50000 | 0 | 0 | 50000 | 100.00 | 50000 | 0 | 50000 | 100.00 | 0 | 50000 | 100 | 0 | 0 | 0 | 0 | 50000 |
| 2 | Foreign | | | | | | | | | | | | | | 0.00 | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Government | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Institutions | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Foreign Portfolio Investor | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (Specify) | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (A)(2) | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Shareholding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2) | | | 7 | 50000 | 0 | 0 | 50000 | 100.00 | 50000 | 0 | 50000 | 100.00 | 0 | 50000 | 100.00 | 0 | 0 | 0 | 0 | 50000 |

*KM Spirits And Allied Industries Limited is a wholly-owned subsidiary of K M Sugar Mills Limited, which, along with its six nominee shareholders, holds 100% of the share capital of the Company.

**Mr. Lakshmi Kant Jhunjhunwala and the share held by him as nominee of "K M Sugar Mills Limited" is currently under transmission.

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
KM Spirits And Allied Industries Limited

| Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholders | | | | | | | | | | | | | | | | | | | | |
|--|--|-------|----------------------|---|-----------------------------------|--|---------------------------|--|--|-------------|-------|-------------------------|--|---|---|----------------------------|--------------------------------|--|--------------------------------|---|
| Sr. No. | Category & Name of the shareholders | PAN | Nos. of shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Outstanding convertible securities (including Warrants, ESOP etc.) | Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form |
| | | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | | No. (a) | As a % of total Shares held(b) | No. (a) | As a % of total Shares held(b) | |
| | | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | (VIII) As a % of (A+B+C2) | (IX) | | | | (X) | (XI)=(VII)+(X) | (XII)= (VII)+(X) As a % of (A+B+C2) | (XIII) | | (XIV) | | (XV) | |
| 1 | Custodian/DR Holder (C1) | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 (C2) | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2) | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

KM Spirits And Allied Industries Limited

Table V - Statement Showing Details of Significant beneficial Owners (SBOs)

| Sr .No. | Details of the SBO | | | Details of the Registered Owner | | | Details of Holding/ exercise of right of the SBO in the reporting company, Whether direct or Indirect | | | | | Date of creation / acquisition of significant beneficial interest (IV) |
|---------|--------------------|--|-------------|---------------------------------|--|-------------|---|--|---------------------|-----------------------------------|----|--|
| | (I) | | | (II) | | | (III) | | | | | |
| | Name | PAN/Passport No. in case of a foreign national | Nationality | Name | PAN/Passport No. in case of a foreign national | Nationality | Whether by Virtue of : | | | | | |
| Shares | | | | | | | Voting Rights | Rights of distributable dividend or any other distribution | Exercise of control | Exercise of significant influence | | |
| - | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

Pre Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

KM Spirits And Allied Industries Limited

Table VI - Statement showing foreign ownership limits

| | Board approved limits | Limits utilized |
|---------------------------------------|-----------------------|-----------------|
| As on shareholding date | Nil | Nil |
| As on the end of previous 1st quarter | Nil | Nil |
| As on the end of previous 2nd quarter | Nil | Nil |
| As on the end of previous 3rd quarter | Nil | Nil |
| As on the end of previous 4th quarter | Nil | Nil |



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
 Phone : 7571000692, Email : director@kmsugar.com
 CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

COMPLIANCE REPORT

It is hereby certified that the draft Scheme of Arrangement for Demerger between K M Sugar Mills Limited ("Demerged Company") and K M Spirits and Allied Industries Limited ("Resulting Company") does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, including the following:

| SN | Reference | Particulars | Remarks |
|-------------------------------|--|---|---|
| 1 | Regulations 17 to 27 of LODR Regulations | Corporate governance requirements | Complied |
| 2 | Regulation 11 of LODR Regulations | Compliance with securities laws | Complied |
| Requirements of this circular | | | |
| (a) | Para (I)(A)(2) | Submission of documents to Stock Exchanges | Complied |
| (b) | Para (I)(A)(3) | Conditions for schemes of arrangement involving unlisted entities | Complied |
| (c) | Para (I)(A)(4) (a) | Submission of Valuation Report | The present application pertains to a Scheme of Arrangement involving the demerger of an undertaking from Holding Company (Demerged Company) into its wholly owned subsidiary (Resulting Company). In consideration, the Resulting Company shall issue shares to the shareholders of Demerged Company in the same proportion of their respective shareholding in the Demerged Company. Consequently, a mirror replica shareholding pattern is |

| | | | |
|-----|-----------------|---|---|
| | | | <p>proposed to be created in the Resulting Company.</p> <p>Accordingly, a Share Entitlement Report has been issued for the present draft Scheme.</p> |
| (d) | Para (1)(A)(5) | Auditors certificate regarding compliance with Accounting Standards | Complied |
| (e) | Para (1)(A)(10) | Provision of approval of public shareholders through e-voting | <p>Complied</p> <p>Clause 3.4.3 of the Scheme of Arrangement provides for the provision of approval of public shareholders through e-voting.</p> <p><i>Further, the requirement of obtaining approval from majority of public shareholders, as stated in Para (A) (10) (b) of Part I of the SEBI Master Circular is not applicable to the proposed Scheme. An undertaking along with the Auditor's Certificate to this effect have been attached to this application as Annexure 10A and 10B.</i></p> |


 Ritika Tandon
 Company Secretary


 Aditya Munjhunwala
 Managing Director

Certified that the transactions / accounting treatment provided in the draft Scheme of Arrangement for Demerger between K M Sugar Mills Limited ('Demerged Company') and K M Spirits Allied Limited ('Resulting Company') are in compliance with all the Accounting Standards applicable to a listed entity.


 Arvind Kumar Gupta
 Chief Financial Officer




 Aditya Munjhunwala
 Managing Director

Date: August 21, 2025

K M Spirits and Allied Industries Limited

Regd. Office: 76, Eldeco Greens, Gomtinagar, Lucknow UP 226010 INDIA.

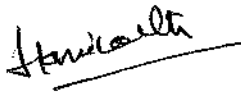
CIN No.: U15100UP2018PLC101321; Phone no.:0522-4079561

Mail id- kmspirits76@gmail.com ; Website- www.kmspirit.com

DETAILS OF ONGOING ADJUDICATION & RECOVERY PROCEEDINGS, PROSECUTION INITIATED, AND ALL OTHER ENFORCEMENT ACTION TAKEN AGAINST THE COMPANY, ITS PROMOTERS AND DIRECTORS

I, Hari Nath , Director of KM Spirits and Allied Industries Limited ("the Company"), hereby confirm that there are no ongoing adjudication or recovery proceedings, prosecutions initiated, or any other enforcement actions taken against the Company, its Promoters or Directors.

For & on behalf of KM Spirits and Allied Industries Limited



Name- Hari Nath

Designation - Director

DIN: 06804331

Date: 15.04.2026



K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)
Phone : 7571000692, Email : director@kmsugar.com
CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

**DETAILS OF ONGOING ADJUDICATION & RECOVERY PROCEEDINGS,
PROSECUTION INITIATED, AND ALL OTHER ENFORCEMENT ACTION TAKEN
AGAINST THE COMPANY, ITS PROMOTERS AND DIRECTORS.**

I, Ritika Tandon, Company Secretary of K M Sugar Mills Limited ("the Company"), hereby confirms that there are no ongoing adjudication or recovery proceedings, prosecutions initiated, or any other enforcement actions taken against the Company, its Promoters or Directors.

For & on behalf of K M Sugar Mills Limited

Ritika Tandon
Company Secretary
M. No. A32215



Date: 15.04.2026



**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

**CA (CAA) No.5/ALD/2026
(First Motion)**

(Under Sections 230 to 232 of the Companies Act, 2013 and the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016) and other applicable rules made thereunder)

IN THE MATTER OF SCHEME OF ARRANGEMENT OF:

K M SUGAR MILLS LIMITED

company incorporated under the Companies Act, 1956

Having Its Registered Office At:

76, Eldeco Greens, Gomtinagar,
Lucknow - 226010, Uttar Pradesh, India
PAN- AAACK5545P
CIN- L15421UP1971PLC003492

.....Applicant No. 1 / Demerged Company

KM SPIRITS AND ALLIED INDUSTRIES LIMITED

company incorporated under the Companies Act, 2013

Having Its Registered Office At:

76, Eldeco Greens, Gomtinagar,
Lucknow - 226010, Uttar Pradesh, India
PAN- AAGCK9739H
CIN- U15100UP2018PLC101321

... Applicant No. 2 / Resulting Company

AND

their respective Shareholders and Creditors (Collectively hereinafter may be referred to as “Applicant Companies”)

Order pronounced on: 24.03.2026

Coram:

Sh. Praveen Gupta : *Member (Judicial)*

Sh. Ashish Verma : *Member (Technical)*



Appearances:

Sh. Suman Kumar Jha, Adv. : For the Applicant Companies

ORDER

1. This is a joint First Motion Application filed by Applicant Companies for sanction of the proposed Scheme of Arrangement involving demerger of ‘Distillery Division’ (hereinafter referred as ‘Demerged Undertaking’) of K M Sugar Mills Limited (hereinafter referred to as ‘Applicant No. 1 / Demerged Company’) into **KM SPIRITS AND ALLIED INDUSTRIES LIMITED** (hereinafter referred to as ‘Applicant No. 2 / Resulting Company’) (to be collectively referred to as 'Applicant Companies') and their respective shareholders under Sections 230 & 232 of the Companies Act, 2013 (the ‘Act’) read with Rule 3 of Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 (the ‘Rules’) and other applicable provisions of the Act for the time being in force, seeking sanction of the Scheme of Arrangement (hereinafter referred to as the ‘Scheme’).
2. The Applicant Companies have prayed for the following reliefs:
 - i. *to pass appropriate orders and directions, directing the Applicant Company 1 / Demerged Company to issue individual Notices and to convene, hold and conduct the meeting of its Equity Shareholders through Video Conference (VC) or Other Audio-Visual Means (OAVM);.*



- ii. to pass appropriate orders and directions, directing the Applicant Company 1 / Demerged Company to issue individual Notices and to convene, hold and conduct the meeting of its Unsecured Creditors through Video Conference (VC) or Other Audio-Visual Means (OAVM);*
3. It is submitted that the registered office of the Applicant Companies are situated in the State of Uttar Pradesh and hence are under the territorial jurisdiction of this Bench.
4. The Applicant No. 1 / Demerged Company is a listed company, engaged in a diversified business of manufacturing and selling sugar and other businesses, including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and Distillery business, manufacturing, selling and distributing, the Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).
5. The Applicant No. 2 / Resulting Company was incorporated as a wholly owned subsidiary of the Demerged Company for the purpose of carrying out the business of manufacturing spirits. The main object of the memorandum of association of the Resulting Company includes the manufacturing, packaging, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA), other alcoholic beverages.



6. Since the shares of the Applicant Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited, in compliance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular dated 20 June 2023, the Demerged Company applied to the said stock exchanges for their no-objection to the proposed Scheme of Arrangement for Demerger. The Board of Directors designated NSE as the Designated Stock Exchange, and both exchanges subsequently issued observation letters, NSE on January 12, 2026 and BSE on January 13, 2026 confirming their no objection to the proposed Scheme. A copy of the Observation letters issued by BSE Limited and National Stock Exchange of India Limited are attached as Annexure 18 with the Application.
7. As submitted in para 13 of the Application, and as per the observation letters issued by the BSE and NSE as the Applicant Companies are filing this application after communication of comments/observations on draft Scheme by SEBI / Stock Exchanges, there is no requirement to send notice under section 230(5) of the Company to SEBI again for its comments/ observations/representations. The relevant excerpts of the observation letter by BSE are reproduced as under:

“15. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock




exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.”

8. The rationale and the benefits of the Scheme are, inter alia, as follows:

The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two business divisions - (1) manufacturing and selling of sugar and other business including the running of a bagasse-based cogeneration Power plant ('Sugar Manufacturing Division') and (2) Distillery business manufacturing, selling and distribution of Rectified Spirit, Ethanol, Country Liquor and Extra Neutral Alcohol (ENA).

- a.** Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is a clear distinction in the growth prospects and risk profile of the two business divisions.
- b.** Over the years, the Distillery Division has matured into a robust and independent business with substantial growth potential. Given the dynamic growth, the Distillery Division is now well positioned to pursue its own strategic and operational priorities as a separate entity.
- c.** The nature of risk, competition, challenges, opportunities and business methods for the Distillery Division is separate and distinct from the Remaining Business (as defined under the Scheme) carried out by the Demerged Company. Further, the way the Distillery



Division is required to be handled and managed is not similar to that of the Remaining Business.

9. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:
- a. In light of the distinct operational characteristics of the Distillery Division, including seasonality, regulatory oversight, policies and subsidy framework, the establishment of an independent entity focusing exclusively on the Distillery Division will enable exploration of sector-specific opportunities, a sharper focus and enhance operational efficiency.
 - b. Segregating the Distillery Division will provide greater strategic flexibility to tailor approaches specific to its unique operational and market dynamics, enabling it to realize its full potential while effectively de-risking the businesses from one another.
 - c. Unlocking shareholders' value by enabling independent, market-driven valuation of the Distillery Division through the listing of the Equity Shares of the Resulting Company on the Stock Exchanges on which shares of the Demerged Company are listed, pursuant to the Scheme, thereby offering shareholders the option and flexibility to continue their investment in a Distillery business-focused listed entity.
 - d. The separation of businesses with distinct risk and return profiles will enable each independent entity to attract different sets of investors, strategic partners, lenders and other stakeholders, thereby enhancing focused capital raising, future expansion and new growth opportunities.



- e. The Resulting Company will be better positioned to align its resources, talent, marketing strategies, and innovation initiatives around a singular sector, which will, in turn, strengthen its competitive advantage and enable the creation of a more agile and efficient management structure.
 - f. The Demerger will provide greater transparency in the performance of each entity, enabling a clearer focus on their respective growth trajectories. This will allow both entities to build their strong brand presence. Thus, this enhanced visibility will contribute to long-term stability and further strengthen the companies' future portfolios.
 - g. The demerger will help each of the entities to channelize resources required for all the businesses to focus on the growing businesses and attract the right talent and provide enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.
- 10.** It is stated that the Board of Directors of the Demerged Company and the Resulting Company in their respective meetings held on 07.08.2025 considered and unanimously approved the proposed Scheme of Arrangement subject to sanctioning of the same by this Tribunal. The copies of the Board Resolutions of the Applicant Companies are attached as Annexure:8 with the application.
- 11.** The appointed date of the Scheme for the purpose of the Arrangement shall be 01.04.2026 as mentioned in Clause 1.1.3 in Part-I of Scheme of Arrangement which is attached as Annexure: 1 of the application.



12. It is stated that the Applicant Companies have filed their Audited Financial Statements for the year ended 31.03.2025 and provisional Financial Statements as on 30.09.2025 which are attached as Annexure 3 and 6 of the application.
13. It is further submitted that in pursuance of the proviso to Section 230(7) and Section 232(3) of the Act, the Applicant Companies have filed certificate dated 07.08.2025, issued by their respective Statutory Auditors certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same is attached as Annexure 11 with the application.
14. It is further submitted that the share entitlement Report, dated 07.08.2025, considering Audited financial statements for the year ended 31.03.2025 of the Applicant Companies, for the proposed Scheme of Arrangement, has been issued by Axiology Valuetech Private Limited, Registered Valuer Entity, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV-E/05/2023/201. A copy of the said Valuation Report is annexed herewith as Annexure 9. The Share Entitlement Ratio, as incorporated in the scheme, is as follows:
- *One equity share of face value of Rs. 10/- (Rupees Ten) each at par in the 'Resulting Company' for every 5 (Five) Equity Shares of face*



value of Rs. 2/- (Rupees Two) each held by them in the Demerged Company (“Share Entitlement Ratio”).

- 15.** Further, a Fairness opinion dated 07.08.2025 on recommendation of Share Entitlement Ratio is issued by Corporate Professionals Capital Private Limited, SEBI Registered Category I Merchant Banker, verifying that the exchange ratio is fair to shareholders and is attached as Annexure 10 with the Application.
- 16.** It is submitted that the Scheme (Annexure 1) also takes care of the interest of the employees of the Applicant Companies by virtue of Clause 2.4 in Part-II of the Scheme.
- 17.** As per para 10 of the application it is submitted that there are no proceedings pending under any law for the time being in force. Affidavits in this regard, by each of the Applicant Companies, have been annexed herewith and collectively marked as Annexure-19 (COLLY).
- 18.** It is deposed by the Applicants that there is no other authority whose approval may be required for the sanction of the Scheme of Arrangement except the following authorities, i.e., (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Uttar Pradesh, Ministry of Corporate Affairs, Kanpur; (c) Securities and Exchange Board of India; (d) National Stock Exchange of India Limited;



(e) BSE Limited (collectively called “Stock Exchanges”) and (f) the Income Tax Department.

19. It is also deposed in para 14 of the Application that the proposed Scheme of Arrangement will not attract the provisions of the Competition Act, 2002. Hence, no intimation to/approval from the Competition Commission of India (CCI) is required for the present Scheme of Arrangement. Affidavits in this regard have been filed by the Applicant Companies attached as Annexure 20 with the Application.

20. The Applicant Companies have furnished the following documents:

- i.** Proposed Scheme of Arrangement (Annexure 1 of the application).
- ii.** Memorandum and Articles of Association of the Applicant Companies (Annexure 2 and 5 respectively of the application).
- iii.** List of shareholders, Secured and unsecured creditors of Demerged Company along with No objection Affidavits (Annexure 1, 13, 14 of the application).
- iv.** List of shareholders, Secured and unsecured creditors of Resulting Company along with No objection Affidavits (Annexure 15, 16, 17 of the application).
- v.** Certificates of Statutory Auditors to the effect that the Accounting treatment proposed in the Scheme is in conformity with Section 133 of the Companies Act, 2013. (Annexure 11 of the application).



- vi. Last Annual Return of the Applicant Companies. (Annexure 4 and 7 of the application).
- vii. Latest Audited Financial Statements for the year ended 31.03.2025 and provisional Financial Statements as on 30.09.2025 of the Applicant Companies. (Annexure 3 and 6 of the application)
- viii. Report on Share Entitlement Ratio (Annexure 9 of the application).

21. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors as follows:

Demerged Company:

| Particulars | Total No. | Dispensation sought | % of Consent received |
|---------------------------------------|---------------|---------------------|-----------------------|
| Equity Shareholders Listed Company | 54,359 | No | N.A. |
| Secured Creditors | 5 | Yes | 96.23% |
| Un-secured Creditors | 414 | No | N.A. |

Resulting Company:

| Particulars | Total No. | Dispensation sought | % of Consent received |
|----------------------|------------|---------------------|-----------------------|
| Equity Shareholders | 7 | Yes | 100% |
| Secured Creditors | NIL | Yes | N.A. |
| Un-secured Creditors | 2 | Yes | 100% |

DIRECTIONS:

22. We have considered the submissions made by the Ld. Counsel, and perused the documents filed with the instant Application. We are of the view that the dispensation of the meetings prayed for by the Applicant



Companies deserves to be allowed. We accordingly give the following directions:

I. In relation to the Applicant No. 1 / Demerged Company:

- a. The meeting of the Equity Shareholders of Applicant Demerged Company be convened as prayed for through video conferencing with facility of remote e-voting on Saturday, 30th May, 2026 at 11:00 A.M., subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 103 of the Companies Act, 2013;
- b. The meeting of the Secured Creditors of Applicant Demerged Company is dispensed herewith, keeping in view that 96.23% in value of the Secured Creditors have given their consents by way of affidavits;
- c. The meeting of the Un-secured Creditors of the Applicant Demerged Company be convened as prayed for through video conferencing with facility of remote e-voting on Saturday, 30th May, 2026 at 12:30 P.M., subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 230(6) of the Companies Act, 2013.

II. In relation to Applicant No. 2 / Resulting Company:

- a. The meeting of the Equity Shareholders of Applicant Resulting Company No. 1 is dispensed herewith, keeping in view that 100% in value of the Equity Shareholders have given their consents by way of affidavits;



amount of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) be paid for his services as the Alternate Chairperson.

- VI.** Mr. Ankit Kumar Singh, CS, (Mobile No. 8009166450, E-mail id: cs.ankitsingh22@gmail.com), is appointed as the common Scrutinizer for the above meetings to be called under this order. An amount of ₹1,00,000/- (Rupees One Lakh only) be paid for his services as the Scrutinizer.
- VII.** The fee of the Chairperson, Alternate Chairperson, Scrutinizer and other out-of-pocket expenses for them shall be borne by the Applicant No. 1 / Demerged Company.
- VIII.** It is further directed that individual notices of the said meetings shall be sent by the Demerged Company to its respective Equity Shareholders, Secured Creditors and Un-secured Creditors through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meetings, indicating the day, date and time as aforesaid, together with a copy of the Scheme, copy of the explanatory statement with Share Entitlement Ratio as discussed in para 14 of this order required to be sent under the Companies Act, 2013 and the applicable Rules and any other documents as may be prescribed under the Act shall also be duly sent with the notice.
- IX.** It is further directed that along with the notices, Demerged Company shall also send, statements explaining the effect of the Scheme on the creditors, key managerial personnel, promoters and non-promoter members, etc. along with the effect of the Scheme of Arrangement on any material interests of the Directors of the



Companies, if any, as provided under sub-section (3) of Section 230 of the Act.

- X.** It is also directed that the Un-Audited Financial Statements (Provisional) of the Applicant Demerged Company and the Resulting Company not older than 6 months' from the date of the meetings be also circulated for the aforesaid meeting(s) in terms of Section 232 (2) (e) of the Act.
- XI.** That the Demerged Company shall publish an advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the time of the meetings as aforesaid, to be published in "Financial Express" (English) and "Jan Satta" (Hindi). The publication shall indicate the time within which copies of the Scheme of Arrangement shall be made available to the concerned persons, free of charge from the registered office of the Applicant Demerged Company. The publication shall also indicate that the explanatory statement required to be furnished pursuant to Sections 230 & 232 read with Section 102 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Applicant Demerged Company in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016. The Applicant Demerged Company shall also publish the notice of the meetings on its website, if any.
- XII.** The Applicant Companies shall issue notices to all the Secured Creditors of the Applicant Company No. 1 and Unsecured Creditors of the Resulting Company by specifying individual value of debts owed. Further, it is directed that while filing the



second motion petition, if any objections or any affidavit/s are received by the Applicant Companies from these Secured Creditors, the same would also be reflected in the second motion petition or immediately thereafter as soon as the same are received.

- XIII.** It shall be the responsibility of Demerged Company to ensure that the notices are sent under the signature and supervision of the Chairperson and that the Applicant Companies shall file their affidavits in the Tribunal at least 7 days before the date fixed for the meetings.
- XIV.** Voting is allowed on the proposed Scheme through remote e-voting process in compliance with the guidelines issued by the Ministry of Corporate Affairs in this regard.
- XV.** The Chairperson shall be responsible to report the result of the meetings to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) working days of the conclusion of the meetings. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Demerged Company and the Scrutinizer, who will assist the Chairperson/Alternate Chairperson in preparing and finalizing the reports.
- XVI.** As stated in paragraph 13 of the Application, and as already discussed in paragraph 6 of this Order, notices for the purposes of Section 230(5) are not required to be issued to SEBI at this stage. However, at the time of filing the second motion petition, SEBI shall also be included as the sectoral regulator and appropriate notice shall be issued accordingly.



XVII. As stated in paragraph 13 of the Application, and as already discussed in paragraph 7 of this Order, notices for the purposes of Section 230(5) are not required to be issued to the Securities and Exchange Board of India (SEBI) at this stage of first motion. Accordingly, at the time of filing the second motion petition, appropriate notice shall be issued to SEBI, being the sectoral regulator.

XVIII. The Applicant Companies in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the “Rules” to (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi and having email id: rd.north@mca.gov.in; (b) the Registrar of Companies, Uttar Pradesh, Kanpur and having email id: roc.kanpur@mca.gov.in; (c) National Stock Exchange of India Limited; (d) Bombay Stock Exchange Limited (collectively called “Stock Exchanges”) and (e) the Income Tax Department, in the respective circle/ward where these Companies are assessed or through the nodal office by mentioning the PAN number of the Applicant Companies, if any, having email id – lucknow.pccit@incometax.gov.in; stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme.



- XIX.** The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any Creditor entitled to attend the meetings as aforesaid.
- XX.** The Authorized Representative of the Applicant Demerged Company shall furnish affidavits of service of notice of meetings and publication of advertisements and compliance of all directions contained herein at least a week before the proposed meetings.
- XXI.** All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.
- XXII.** The Company Petition for confirmation of the Scheme is to be filed within the time period prescribed under the provisions of the Act and corresponding rules made there under. The appropriate prayer would also be made in the second motion petition for publication in newspaper.
- 23.** The Second Motion petition shall be filed within 7 days from the date of submission of report by Chairperson in accordance with the provisions of rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- 24.** With the aforesaid directions, this First Motion Application bearing **CA (CAA) No.5/ALD/2026** is allowed. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply



a copy of the same to the Chairperson, Co-Chairperson and the Scrutinizer immediately.

-Sd-
(Ashish Verma)
Member (Technical)

-Sd-
(Praveen Gupta)
Member (Judicial)

Date: 24.03.2026