

# K. M. SUGAR MILLS LIMITED

Regd. Office: 11 MOTI BHAWAN COLLECTOR GANJ,

KANPUR, Uttar Pradesh-208001

CIN: L15421UP1971PLC003492;

Website: [www.kmsugar.com](http://www.kmsugar.com)

Phone: 0512-2310762 ; 0522-4079561; E-mail: [cs@kmsugar.in](mailto:cs@kmsugar.in)

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 48th Annual General Meeting of the K. M. Sugar Mills Ltd. will be held **through Video Conference / Other Audio Visual Means**, on Wednesday, the 29th day of September, 2021 at 11:00 a.m. transact the following business:

### ORDINARY BUSINESSES:

1. To consider and adopt the standalone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors and, to consider and pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** the standalone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors thereon laid before the 48th Annual General Meeting of the members of the Company, be and are hereby received, considered and adopted.

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

2. To appoint a director in place of Shri Lakshmi Kant Dwarkadas Jhunjunwala, who retires by rotation and being eligible, offers himself for re-appointment and, to consider and pass, the following resolution as a Special Resolution (refer note 1 of the explanatory statement):

**“RESOLVED THAT,** Shri Lakshmi Kant Dwarkadas Jhunjunwala (DIN- 01854647) who retires by rotation under Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as ‘the Act’) and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 48th Annual General Meeting of the members of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT,** the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things as may be required including to delegate and to settle any question, difficulty or doubt, that may

arise and to sign and execute all documents or writings as may be deemed necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution.”

3. To appoint a director in place of Shri Aditya Jhunjunwala, who retires by rotation and being eligible, offers himself for re-appointment and, to consider and pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT,** Shri Aditya Jhunjunwala (DIN-01686189) who retires by rotation under Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as ‘the Act’) and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 48th Annual General Meeting of the members of the Company, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation.”

**“RESOLVED FURTHER THAT,** the Board of Directors of the Company be and is hereby authorized to do, perform and execute all such acts, deeds and things as may be required including to delegate and to settle any question, difficulty or doubt, that may arise and to sign and execute all documents or writings as may be deemed necessary, proper or expedient for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution.”

### SPECIAL BUSINESS: -

4. To approve the remuneration of Cost Auditor appointed for the financial year 2021-22 and to consider and if thought fit to pass, the following resolution as an Ordinary Resolution: -

**“RESOLVED THAT,** in accordance with the Provisions of section 148 and other applicable provisions if any of the Companies Act, 2013 and rule made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, appointed as the Cost Auditor to conduct audit of Cost records maintained by the Company, at the remuneration approved by the Board of Directors on the recommendation on the Audit Committee plus goods and services tax, as applicable, and reimbursement of out-of-pocket expenses incurred for the financial year 2021-22 be and is hereby ratified.”

5. To approve the grant of loan, guarantee, security or make investments in entities covered under the provisions of Section 185(2)

and related parties of the Company and to consider and if thought fit to pass, the following resolution as the Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 185 & 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), memorandum and articles of association and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to grant loan, guarantee, security or make investments by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments in entities covered under the provisions of Section 185(2) and related parties of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations of such sums not exceeding Rs.100 Crores, as may be decided by Board/ Committee of Directors as permitted or subject to the provisions specified therein from time to time.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to approve, decide, vary or modify the terms and conditions applicable for the aforesaid loan, Investment , Corporate Guarantee, Security and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient including to delegate or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise and to do all things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

Place: Lucknow  
Dated: 10.08.2021

**Company Secretary  
Pooja Dua**

#### Notes:

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM
- 2) In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company has engaged the services of Link Intime (India) Private Limited (LIPL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM (“remote e-voting”) is also provided by LIPL.
- 3) VC/OAVM facility provided by the Company, is having a capacity to allow 1000 members to participate at the Meeting on a first come- first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, CSR Committee, Auditors etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle.
- 4) Company is providing two way teleconferencing facility for the ease of participation of the members. The instructions for members attending/ participating in the AGM through VC/ OAVM are provided at point no. 19.
- 5) The facility for joining the AGM through VC/OAVM shall be open at least 15 minutes before the time scheduled to start the Meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
- 6) In compliance with the aforesaid MCA Circulars and SEBI Circulars, electronic copy of the Annual Report for the financial year 2020-21 and Notice of the 48th AGM of the Company, inter alia, indicating the process and manner of e-voting will be sent only through electronic mode to all the Members whose e-mail IDs are registered with the Company’s Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes, as the requirement of sending the hard copies of annual report and notice of AGM has been dispensed with. Members may note that the Notice and Annual Report will also be available on the Company’s website [www.kmsugar.com](http://www.kmsugar.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
- 7) Pursuant to the provisions the Act, a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a Member of the Company. Since the 48th AGM is being held pursuant to the MCA Circulars, through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly,

the facility for appointment of proxies by the Members will not be available for the 48th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- 8) Institutional/Corporate Members intending to attend the Meeting are required to send a scan of certified copy of the Board Resolution (JPG/PDF format), pursuant to Section 113 of the Act, 2013, authorizing their representative to attend the Meeting through VC/OAVM on its behalf and vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address [pragatics@gmail.com](mailto:pragatics@gmail.com). Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of Meeting for the purpose of recording of the minutes of the proceedings of this AGM.
- 9) Members having any queries related to accounts and operations or any other matter to be placed at the AGM of the Company, may write to the Company through an email on [cs@kmsugar.in](mailto:cs@kmsugar.in) at least seven working days in advance of the Meeting. The same will be replied by the Company suitably.
- 10) Members are requested to contact the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Private Limited (LIPL) Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 (Phone No.: +91-11-41410592; Fax No.: +91-11-41410591; Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)) for reply to their queries/redressal of complaints, if any, or contact Ms. Pooja Dua, Company Secretary at the Corporate Office of the Company (Phone No.: +91-522-4079561; Email: [cs@kmsugar.in](mailto:cs@kmsugar.in)).

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their DPs in case shares are held in electronic form or to Company's RTA i.e. LIPL in case shares are held in physical form.

- 11) As per Regulation 40 of the SEBI Listing Regulations, as amended, the securities of the listed company cannot be transferred in physical mode w.e.f. April 01, 2019, except in case of request received for transposition or transmission of securities. In view of this, Members holding shares in physical form are requested to get their shares dematerialized at the earliest. Members can contact the Company or the Company's RTA i.e. LIPL for assistance in this regard.
- 12) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA i.e. LIPL.
- 13) In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their

email addresses with their DPs in case shares are held by them in electronic form and with the Company's RTA i.e. LIPL in case shares are held by them in physical form for receiving all communication including annual report, notices, circulars etc. from the Company electronically.

- 14) Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
- 15) Since the AGM will be conducted through VC / OAVM, the Route Map is not annexed to this Notice.
- 16) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, 2013 read with Rules issued thereunder will be made available electronically for inspection by the Members during the Meeting. All documents referred to in the Notice will also be available for electronic inspection from the date of circulation of this Notice up to the date of AGM. Also, the Notice for this 48th AGM along with requisite documents and the Annual Report for the financial year 2020-21 shall also be available on the Company's website [www.kmsugar.com](http://www.kmsugar.com). Further, the notice received, if any, under Section 160 of the Companies Act, 2013 will be put up on the website of the Company up to the date of the Meeting. Members seeking to inspect such Documents can send an email to [cs@kmsugar.in](mailto:cs@kmsugar.in).
- 17) The remote e-voting facility will be available during the following voting period:
  - i. Commencement of remote e-voting: From 9.00 a.m. IST of Sunday, September 26, 2021.
  - ii. End of remote e-voting: Up to 5.00 p.m. IST of Tuesday, September 28, 2021.
- 18) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 22, 2021 may cast their vote through remote e-voting. The remote e-voting module shall be disabled by LIPL for voting thereafter and the facility will be blocked forthwith. Further, Register of member and share transfer books of the company will remain closed from Thursday, 23rd September, 2021 to Wednesday, 29th September, 2021 (both days Inclusive).

**19) Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

### **Individual Shareholder sholding securities in demat mode with NSDL**

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.
- After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" "Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

### **Individual Shareholders holding securities in demat mode with CDSL**

- Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](https://www.cdslindia.com) and click on New System Myeasi.
- After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](https://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

### **Individual Shareholders (holding securities in demat mode) & login through their depository participants**

- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.
- Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

### **Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>  
Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
  - A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
- Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above  
Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).  
Click "confirm" (Your password is now generated).
2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
5. E-voting page will appear.
6. 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).
7. 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.

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

1. Open the internet browser and launch the [URL: https://instameet.linkintime.co.in](https://instameet.linkintime.co.in)
- ▶ Select the “Company” and ‘Event Date’ and register with your following details: -
  - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
  - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.:** Enter your mobile number.
  - D. Email ID:** Enter your email id, as recorded with your DP/ Company.
- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting)

21) **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

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

22) **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

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

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/ Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.

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

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

Place: Lucknow  
Dated: 10-08-2021

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



**ANNEXURE TO THE NOTICE**  
**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**  
**and 17(11) of SEBI (LODR) (AMENDMENT) REGULATIONS, 2018**

**Item No. 2**

Shri Lakshmi Kant Dwarkadas Jhunjhunwala, who was appointed as a Executive Chairman of the Company for the period of five years at 46th Annual General Meeting held on 20th August, 2019, retires by rotation under Section 152 and other applicable provisions, if any, of the Act and the Rules made thereunder read with the Articles of Association of the Company, at the conclusion of 48th Annual General Meeting of the members of the Company, and being eligible, has offered himself for re-appointment. The Board has recommended for his re-appointed as a Director on the Board of the Company, whose period of office shall be liable to retire by rotation.

In terms of the provisions of proviso to Section 196(3) read with Part I of Schedule V of the Companies Act, 2013, the approval of the shareholders by way of special resolution was obtained for his appointment as way beyond the age limit of seventy years. Now, he is retiring by rotation at ensuing AGM and has offered himself for re-appointment. As a Good Governance the consent of shareholders is being sought by way of special resolution as against an Ordinary resolution.

The Board recommends resolution set out in item no. 2 of the notice for approval of the members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except he himself and Mr. Aditya Jhunjhunwala, Managing Director & Mr. Sanjay Jhunjhunwala, Joint Managing Director are concerned or interested financially or otherwise in this resolution.

**Item no. 4**

The Board of Directors approved the appointment of M/s. Aman Malviya & Associates, Cost Accountants, Lucknow, as a Cost Auditor of the Company for conducting cost audit for the financial year 2021-22 in the meeting held on June 08, 2021 at the remuneration of Rs.35000/- plus goods and services tax, as applicable, and reimbursement of out-of-pocket expenses, in line with the recommendation of the Audit Committee. Pursuant the provision of section 148 other applicable provisions if any of the Companies Act, 2013 and rule made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

The Board recommends resolution set out in item no. 4 of the notice for approval and ratification to the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in this resolution.

**Item no. 5**

In terms of long term strategic and business objectives the Company is required to provide loans, guarantees, security or make investment in entities, subsidiary companies, associates, joint ventures and related parties of the Company in which directors of the Company are interested. These loans, guarantees, security & investment are subject to overall limit approved by shareholders of the Company in terms of the provisions of Section 186(3) of the Companies Act, 2013. In terms of the provisions of Section 185(2) grant of loans, guarantee or security to such entities require the approval of the shareholders of the Company by way of Special Resolution. Further the above transaction also requires the approval of the shareholders in terms of the provisions of section 188 of the Companies Act, 2013, rules made thereunder and regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015').

The Board of Directors of the Company shall be authorized to decide the quantum of loan, guarantee, security or investment in entities covered under the provisions of Section 185(2) and related parties of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, within overall limit of Rs. 100 crores from time to time.

The Company's subsidiary(ies) / associates / JV Companies, related parties explore various options to raise funds through loan / issuance of debentures / bonds etc.. The proceeds raised by such entities would be utilized for their principal business activities.

Accordingly the approval of the members of the Company is sought by way of special resolution to grant loan, guarantee, security or make investments by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (whether convertible or non-convertible) or any other financial instruments in entities covered under the provisions of Section 185(2) and related parties of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations of such sums not exceeding Rs.100 Crores, as may be decided by Board/Committee of Directors as permitted or subject to the provisions specified therein from time to time.

Disclosure in terms of the provisions of Section 185(2) of the Companies Act, 2013:

- a) Particulars of Loan, guarantee or security proposed to be given:
  - i. Loan amount: The Board of Directors of the Company would carefully evaluate proposals and grant loan, guarantee, security or make investments, from time to time within overall limit of Rs. 100 crores;
  - ii. Interest rate: The interest rate on the loan shall be decided by

the Board after carefully evaluation of the proposal, however in situation shall be at rate less than as prescribed under the provisions of section 186(7) of the Companies Act, 2013 & rules made thereunder;

iii. Tenure: The tenure of the loan shall be decided by the Board after carefully evaluation of the proposal, however in no situation shall be exceeding ten years;

iv. Security: Secured or unsecured as decided by the Board after carefully evaluation of the proposal;

b) Permitted utilization: Principal business activities of borrowing company.

The Board of Directors Recommend the Special Resolution for approval by the members. In terms of the provisions of regulation 23, all entities falling under the definition of related parties shall not vote to approve this item irrespective of whether the entity is a party to the particular transaction or not.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

Place: Lucknow  
Dated: 10-08-2021

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

## **Appendix -A**

### **The details of the Directors liable to retire by rotation and seek re-appointment: -**

Sr. No.	Name of the Director	Qualification	Directorship of Other Companies	Committee position held in other companies	Professional / expertise	Nos. of shares held Relationship between directors interse
1	Mr. L.K Jhunhunwala (DIN-01854647)	B.A	1)Awadh Technology Park and Services Private Limited 2)Marvel Business Pvt Ltd 3)Jhunhunwala Securities Pvt.Ltd. 4)Satyam Trade Centre Pvt Ltd 5)Nidhi Financial Services Pvt Ltd 6)Shailja Properties Private Limited 7) UP Angel Network Association	1) FICCI-UP-Chairman. 2) PHD Chamber of Commerce. 3) ISMA,Member.	Has vast experience of Sugar Technology and leadership skills in heading the Company	14302600 Nos. of Equity shares Related with Shri Sanjay Jhunhunwala and Shri Aditya Jhunhunwala
2	Mr. Aditya Jhunhunwala (DIN-01686189)	B.Com	1)KM Spirits and Allied Industries Limited 2)Pharmetro Life Sciences Private Limited 3)Sonar Casting Limited 4)K M Plantations Private Limited 5)Shri Shakti Credits Limited 6)Marvel Business Pvt Ltd 7)Avantika Tradelink Private Limited 8)Brilliant Barter Private Limited 9)Francoise Commerce Pvt Ltd 10) Jhunhunwala Securities Pvt.Ltd. 11)Zar International Private Limited 12)H H Foundation 13)Indian Sugar Exim Corporation Ltd. 14) Nidhi Financial Services Pvt Ltd	Audit Committee in Sonar Casting Ltd	Has vast experience in Finance and Taxation and operational management of sugar industry	4839242 Nos. of Equity shares Related with Shri Sanjay Jhunhunwala and Shri L.K Jhunhunwala