

JK SUGAR LTD.

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BOARD OF DIRECTORS

Bharat Hari Singhania
Chairman

P. K. Jain

Gautam Khaitan

A. K. Kinra

Vikrampati Singhania

R. C. Singhal
Whole-time Director

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Auditors

S. S. Kothari Mehta & Co.
Chartered Accountants

Registered Office

7, Council House Street,
Kolkata - 700 001

Bankers

Bank of India
Dena Bank
The Bank of Rajasthan Ltd.
UTI Bank Ltd.

Plant

Sindhauli Road,
Meerganj,
Bareilly (U. P.)

Vice President (Finance) & Secretary

S. A. Bidkar

Administrative Office

Link House
3, Bahadurshah Zafar Marg,
New Delhi - 110 002

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and Audited Accounts for the Financial Year ended 31st March 2004.

SCHEME OF ARRANGEMENT

As you are aware, the Scheme of Arrangement and Amalgamation between J.K. Industries Limited (JKIL), JK Agri Genetics Limited, JK Sugar Limited (the Company) and Vikrant Tyres Limited, (the Scheme) has been sanctioned by the Hon'ble High Court of Calcutta on 6th May 2003 and by the Hon'ble High Court of Karnataka on 2nd September 2003, pursuant to Sections 391-394 of the Companies Act 1956. The Scheme became effective on 5th September 2003.

On the Scheme becoming effective as aforesaid, the Sugar Undertaking of JKIL stood transferred to and vested in the Company as a going concern on a "Slump Sale" basis w.e.f. 1st April 2002 (the Appointed Date).

Further, in terms of the Scheme, all the business activities of the Sugar Undertaking carried out on or after the Appointed Date till 5th September, 2003 by JKIL are deemed to have been carried out by the Sugar Undertaking for and on behalf of and in trust for the Company on a going concern basis and consequently all profits and losses of the Sugar Undertaking and related taxes paid are deemed to be the profits, losses or taxes of the Company, as the case may be. It was therefore necessary to quantify and incorporate the impact of transfer of the Sugar Undertaking to this Company as aforesaid w.e.f. 1st April, 2002 in the Books of Accounts of the Company. Accordingly, the impact of the Scheme as aforesaid has been incorporated in the Audited Accounts of the Company for the financial year ended 31st March 2003 by restating the said Accounts. Consequently the figures for the year ended 31st March 2003 have been restated in the previous year's figures of the Audited Accounts of the Company for the year under review.

SHARE CAPITAL

To give effect of the Scheme, the Authorised Capital was increased from Rs. 0.50 crores to Rs. 35.0 crores. The equity shares of the Company (including the 51,84,765 Equity Shares issued pursuant to the Scheme to the equity shareholders of JKIL as on the Record Date i.e., 6th October 2003) have been listed at the Stock Exchange, Mumbai and the Calcutta Stock Exchange, Kolkata and the trading in the Equity Shares started w.e.f. 11th March 2004.

OPERATIONS

Sales during the year under review were Rs. 85.55 crores. The Operating Profit was Rs. 12.64 crores as against Rs. 1.58 crores in the previous year and the Cash Profit for the year was Rs. 1.96 Crs. as against

cash deficit of Rs. 9.98 Crs. during the previous year. After providing for depreciation, there was net deficit of Rs. 2.53 crores as against a net deficit of Rs. 14.36 Crs. during the previous year.

Over the years, the Sugar Industry had been passing through difficult times from both perspectives i.e. increasing input cost and falling sales realisation. The cost of its main raw material i.e., sugar cane has been increasing on a year to year basis as per the Statutory Minimum Price (SMP) announced by the Central Government and the prices announced by State Government. This has no relationship with the prevailing sugar prices, which are also essentially controlled through the release mechanism for finished goods by Central Government. Last year, apart from increasing the basic SMP by Rs. 2.45 per quintal, a further increase of Rs. 5 per quintal was announced by the Central Government towards drought relief making input cost uneconomic. On the other hand selling prices during the year 2002-03 fell by 30% from a peak of Rs. 1458 per quintal in October 2002 to a level of Rs. 1015 per quintal in March 2003 severely impacting profitability during 2002-03.

During the year 2003-04, finished goods prices continued to be depressed and in fact overall average sales realization was lower than previous year. In spite of this, due to improvement in operational performance, the company was able to show better results.

During the year, the cane crush increased by 14% to 7.36 Lacs MT as against 6.44 Lacs MT crushed in the previous year. The recovery increased from 9.06% to 9.39%. Consequently production of 69,500 MT was 18% higher than the production of 58,599 MT recorded during the previous year.

However due to nation wide shortfall in cane production, the crushing at your factory was curtailed and the season ended much earlier than the previous year.

In order to add value to its Sugar Business, the Company continues to lay emphasis on power co-generation. During this year the Company increased its sale of power by 29% from 288 lacs kw to 371 lacs kw. The Company also became one of the few mills in UP to set up 24 KMs, 132 KV transmission line for evacuation of power. The Company continues to pursue a stagewise expansion programme.

Further, your Company has undertaken an intensive cane development programme to increase the sugar content in cane as well as improve the varietal balance of sugar cane. These efforts include distributing seeds of high sugared varieties and make available fertilizers, pesticides, insecticides at fair or in some cases subsidized rates to the farmers to encourage cultivation of early and improved varieties of cane. The development team also works closely with the farmers to educate them on improving farming practices to help them in improving the yield.

CONSERVATION OF ENERGY

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are annexed.

DIRECTORS

Shri Bharat Hari Singhania and Shri Vikrampati Singhania have been appointed as Directors whose period of office is not liable to determination by retirement of Directors by rotation.

Shri P.K. Jain and Shri Gautam Khaitan were appointed as additional Directors w.e.f. 4th September 2003. Shri RC Singhal was appointed as Whole-time Director of the Company w.e.f. the said date for a period of three years.

Shri S.N. Tripathi and Shri P.K. Rustagi, Directors resigned from the Board of Directors of the Company w.e.f. 4th September 2003. Shri A.K. Kinra was appointed as a Director, in the casual vacancy caused by the resignation of Shri S.N. Tripathi. Shri A.S. Mehta also resigned from the Board of Directors w.e.f. 5th September 2003.

The Board places on record its appreciation of the valuable services rendered by Shri S.N. Tripathi, Shri PK Rustagi and Shri A.S. Mehta during their respective tenures of office.

The Company has received notices pursuant to Section 257 of the Companies Act 1956, from three members proposing candidatures of Shri P.K. Jain, Shri Gautam Khaitan and Shri R.C. Singhal for appointment as Directors of the Company. The Board recommends the appointment of Shri P.K. Jain, Shri Gautam Khaitan and Shri R.C. Singhal as Directors.

AUDITORS

M/s S. S. Kothari Mehta & Co. Chartered Accountants, Auditors of the Company retire and are eligible for re-appointment. The appointment of the Auditors is required to be made by a Special Resolution pursuant to Section 224A of the Companies Act, 1956. The observations of the Auditors in their report on Accounts read with the relevant notes are self-explanatory.

PARTICULARS OF EMPLOYEES

During the year under review, there were no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

The Company is committed to the good corporate governance practices. During a part of the year under review, the entire business activities of the Sugar Undertaking were carried on by J.K. Industries Ltd.(JKIL) for and on behalf and in trust for the Company, all the good corporate governance practices were being followed in JKIL. However, after the transfer of the Sugar Undertaking pursuant to the Scheme, which became effective on 5th Sept. 2003, the Company has taken up various steps to implement and put in

place the good corporate governance practices. The Company has got its shares listed on Bombay and Calcutta Stock Exchanges.

Your Company reaffirms its commitment to the good corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act 1956, your Directors state that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge, the continued support and cooperation received from valued Customers, Dealers, Suppliers, Farmers, Shareholders, Banks, Financial Institutions, and various Central and State Government Agencies.

Your Directors also acknowledge and appreciate the commitment and dedication of the employees at all levels.

On behalf of the board

Date: 30th June, 2004
New Delhi

Bharat Hari Singhania
Chairman

ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

(a) Steps taken by the Company for conservation of energy are as under:

1. 132 KV transmission line was installed in place of 33 KV transmission line, resulting in reduction in transmission losses on power export.
2. HP gland sealing fins of Steam Turbine no. 2.

replaced to reduce steam losses.

3. Installation of D G Set of 180 KVA to optimise power consumption during off- season.
 4. Capacitors at MCC's and Levellor motor has been installed to improve power factor.
 5. 2600 M² rising film semi kestner body was installed to work evaporator as quintuple effect.
 6. L P Gland steam leakages reduced in TG-2 Turbine.
- (b) Specific areas of additional investment and proposals:
1. To study the illumination level of plant area & colony area and optimisation to be done.
 2. To study & plan retrofits of electric motors as per individual locations to reduce electrical consumption.
 3. Optimisation of Bagasse Combustion in Boiler no. 1 by putting up secondary injection air system.
- (c) The required data with regard to conservation of energy are furnished below:

Power and Fuel Consumption	2003-04	2002-03
1.a) Purchased Units (Lac Units)	4.88	4.46
Total Amount (Rs. Lacs)	15.06	21.64
Rate per Unit (Rs.)	3.08	4.85
b) Own Generation		
(i) Through Diesel Generation sets (Lac Units)	0.83	2.24
Units per Litre of Diesel	2.41	2.25
Cost / Unit (Rs.)	7.36	7.83
(ii) Through Steam Turbine/Generator (Lac Units)	265.97	260.15
Units per MT of Bagasse Cost/Unit	Steam Produced by use of own Bagasse.	Steam Produced by use of own Bagasse.
2. Consumption per Unit of production (Electricity Units per MT of Sugar production)	349	397

B. RESEARCH AND DEVELOPMENT

Following development activities were undertaken by the Company:

1. New improved varieties of cane seed being provided to cane growers through seed nurseries.
2. Moist hot air treatment of seed to eradicate pests and diseases.
3. Ratoon crop management to help increase yield and recovery.

C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company is installing leaf filter to filter the treated juice & directly mixing with clear juice.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO - Nil

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Sugar Undertaking of JK Industries Ltd (JKIL) has been transferred to the Company as an ongoing concern w.e.f. 1st April 2002 pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Courts of Calcutta and Karnataka, which became effective from 5th September 2003.

SUGAR INDUSTRY SCENARIO

India is the largest consumer and the second largest producer of sugar in the world with a 15% share of global production. It is also the second largest agro based industry in the country with about 453 factories located through out the country. The total annual turnover of the industry is about Rs 25000 crores and is one of the largest providers of direct and indirect employment in the farm sector.

During the last few years Sugar production in India has been growing, with a record production during the year 2002-03 crossing 200 lakhs tonnes. This coupled with all time high industry stocks of about 8 months' had led to a glut situation in the markets during 2002-03.

Facing pressure from record production and high stocks, the industry's finances/liquidity were under great strain and it resorted to panic selling to improve its liquidity. Number of mills sold sugar in excess of their release orders, leading to a breakdown of the regulated mechanism. This situation in the backdrop of the internationally depressed prices kept the domestic prices under severe pressure.

Government of India regulates and controls the rate of sugarcane supplied by the farmers by announcing a Statutory Minimum Price (SMP) on a year to year basis. In the season 2002-03, the industry in Uttar Pradesh moved away from previously prevailing, and uneconomically high, State Advised Pricing (SAP) regime to a recovery based SMP mechanism, a practice being followed by other Sugar producing States of the country. This, by and large, was a healthy development for the industry in the state of Uttar Pradesh.

However during the season 2003-04 due to the general shortage situation a number of mills started to give substantially high cane price to the farmers over the SMP. As a result of the combined efforts made by the UP mill owners to move away from SAP regime to recovery based mechanism virtually got washed away. All other high prices based Gur and Khandsari units lead to diversion of sugar cane from the mills.

The crushing season 2003-04 also saw re-emergence of the sugar cycle with cane production nation-wide dropping drastically resulting in expected sugar

production of about 140 Lac tones. This has resulted in a number of mills in Uttar Pradesh crushing 15 to 30% less than the previous year and in fact in Maharashtra and some southern states reduction is even larger. Due to shortfall in production some improvement in prices has taken place in last few months.

OUTLOOK

As cane development is a three years cycle production of sugar in country is expected to only move up slowly in the next couple of seasons. This could lead to favourable demand and supply situation resulting in improvement in sugar prices. The more rigorous implementation of Ethanol program and increasing its use from a mixture of 5% to 10% in fuel would lead to new opportunities in down stream products for the company.

Meanwhile, the Company is implementing an extensive cane development programme to increase the supply of cane and also its sugar content in the coming years. The continued emphasis on co-generation of power will help the company to improve its performances.

HUMAN RESOURCES

For any company its people are its greatest assets. The company is working to create a workplace where every employee can exercise his full potential. The company has been imparting training through various programmes, both internal and external, to continuously improve knowledge, technical skills, and management techniques. Employee involvement is encouraged and group dynamics and problem solving abilities are improved by involvement in cross functional teams.

THREATS AND CONCERNS

Sugar is an agro-based commodity, which is always subjected to the vagaries of the weather, rain fall, climatic conditions, etc. As a result of the shortfall in Sugarcane production, the cane prices are expected to rule firm. Further, the recent pronouncement made by the Supreme Court to allow the States to fix their own sugarcane price has further thwarted the move of the Industry to change the cane pricing mechanism from SAP to SMP. If not challenged, in long run such a verdict shall have a dampening effect on the fortunes of Sugar Industry.

Though the Sales Realisation in the country has increased during the last 3-4 months but the International prices continue to be at depressed levels and the import of refined sugar or reduction in import duty could lead to reversal of this trend. However, the Company is taking various steps in improving productivity and operational efficiencies to minimize the effect of these uncertain factors. Apart from the uncertainties in the common policies, the diversion of cane for alternative uses like Gur and Khandsari could lead to reduction in crushing. Uncertainties in

Government policies and regulations are a matter of concern for the Industry.

FINANCIAL PERFORMANCE AND INTERNAL CONTROLS

The Financial Results for the year ended 31st March 2004 are summarised below:

	(Rs. in Crs.)	
Particular	2003-04	2002-03
Sales and Other Income	85.93	114.07
Profit before Interest, Depreciation & Tax	12.64	1.58
Profit before Depreciation	1.96	(9.98)
Profit before Tax	(2.53)	(14.36)
Profit after Tax	(2.53)	(14.36)

Inspite of lower sales realisation the operations of the Company showed considerable improvement during the year with Operating Profits jumping from Rs.1.58 Crs. to Rs.12.64 Crs. The Company also achieved a Cash Profit of Rs. Rs. 1.96 Crs. as against a loss of Rs. 9.98 Crs. During the year under review, the Company's recovery improved from 9.06% to 9.39%. As a result the production increased by 18% from 58,599 MT to 69,500 MT.

The Company has in place, internal controls and systems to meet the operational requirements in all situation of its operation. The company has put in place structured internal audit systems and monitoring mechanism to effectively control cost at various stages. Review of Internal Control System is carried out at periodic intervals by the Senior Management team and Internal Auditors, which further reinforces the existing system. The Audit Committee of the Directors of the Company regularly reviews the Internal Audit Reports and the action taken on the observations of the Internal Auditors. The Audit Committee's observations are deliberated and acted upon by the Management.

CAUTIONARY STATEMENT:

"Management's Discussion and Analysis Report" contains forward looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any onward looking statements, on the basis of any subsequent development, information or events.

CORPORATE GOVERNANCE REPORT

During the year under review, the Sugar Undertaking of J.K. Industries Limited (JKIL) was transferred to JK Sugar Ltd. pursuant to the Scheme of Arrangement between JKIL and amongst others, JK Sugar Ltd. (the Company) which became effective on 5th September 2003 and operative with effect from 1st April 2002 (the Appointed Date under the Scheme).

The Corporate Governance Report is for the year under review i.e 1st April 2003 to 31st March 2004.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is committed to good corporate governance practices.

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

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of six Directors out of which one is Executive Director, five Non-Executive Directors (NED) three of whom are Independent Directors (IND). Other details are as given hereunder:

Director	Category	Number of Board Meetings Attended	Whether last AGM attended (held on 25.6.2003)	No. of other directorships and Committee Memberships/Chairmanships		
				Other Directorships \$	Committee* Memberships	Committee* Chairmanships
Shri Bharat Hari Singhania, appointed w.e.f 25.8.2003	NED	4	NA	3	1	—
Shri Vikrampati Singhania, appointed w.e.f 25.8.2003	NED	4	NA	2	2	—
Shri A.K. Kinra Appointed w.e.f 4.9.2003	IND	3	NA	5	4	—
Shri Gautam Khaifan Appointed w.e.f 4.9.2003	IND	1	NA	7	1	1
Shri P.K. Jain Appointed w.e.f 4.9.2003	IND	4	NA	4	—	—
Shri R.C. Singhal Appointed w.e.f 4.9.2003	Executive.	3	NA	—	—	—
Shri S. N. Tripathi Ceased w.e.f 4.9.2003	IND	—	YES	NA	NA	NA
Shri A.S. Mehta Ceased w.e.f 5.9.2003	IND	4	NO	NA	NA	NA
Shri P.K. Rustagi Ceased w.e.f 4.9.2003	IND	4	NO	NA	NA	NA

\$ Excludes directorships in Private Ltd. Companies, foreign Companies, memberships of Managing Committees of various Chambers/Bodies/ Section 25 Companies.

* Only covers Memberships/Chairmanships of Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee.

NA - Not Applicable

NUMBER AND DATE OF BOARD MEETINGS HELD:- Seven Board Meetings were held during the financial year 1st April 2003 to 31st March 2004 on 25th April 2003, 23rd June 2003, 7th July 2003, 4th September 2003, 5th September 2003, 31st December 2003 and 30th January 2004.

3. AUDIT COMMITTEE:

An Audit Committee of Directors has been constituted by the Board at its meeting held on 4th September 2003. The Committee consists of three Directors, all being Non Executive Independent Directors namely Shri P.K. Jain (Chairman of the Committee), Shri Gautam Khaifan and Shri A.K. Kinra.

The 'Terms of Reference' of the Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement.

One meeting of the Audit Committee was held during the year 2003-04 on 30th January 2004 which was attended by all the three members.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Board at its Meeting held on 4th September, 2003, constituted a Shareholders/Investor Grievance Committee comprising Shri Vikrampati Singhania (Chairman of the Committee), Shri Gautam Khaitan and Shri A. K. Kinra all being Non-Executive Directors.

The Company has received one complaint from a shareholder, which has been settled to his satisfaction. As on date, there are no complaints pending. The Board has delegated the power of share transfer to a Committee of Directors and the share transfer formalities are attended to as required. There are no transfers of shares, (held in physical form) and pending for more than 20 days. Shri S. A. Bidkar, Vice President (Finance) & Secretary, is the Compliance Officer.

5. REMUNERATION COMMITTEE (NON-MANDATORY):

Remuneration Committee comprising three Non-Executive Independent Directors namely Shri P. K. Jain (Chairman of the Committee), Shri A. K. Kinra and Shri A.S. Mehta was constituted on 4th September 2003 to determine the remuneration payable to Shri R.C. Singhal who was appointed as Whole-time Director of the Company for a term of three years commencing from 4th September 2003.

6. REMUNERATION PAID TO DIRECTORS:

i) Executive Directors: Out of the total managerial remuneration paid by the Company Rs.3.20 Lacs represents the proportionate share of the managerial remuneration for the period 1st April 2003 to 4th September 2003 paid by J.K. Industries Ltd.,(JKIL) relating to the Sugar Undertaking which, inter-alia, has been transferred to this Company pursuant to a Scheme of Arrangement and Amalgamation of JKIL. Shri R. C. Singhal, who has been appointed as Whole-time Director under Section 269 of the Companies Act 1956 for a period of three years w.e.f. 4th September 2003, has been paid remuneration of Rs 7.19 Lacs during the financial year 2003-2004. The Company does not have any Stock Option Scheme. In the case of Whole-time Director, notice period is six months.

ii) Non-Executive/Independent Directors: The Company has paid sitting fees aggregating to Rs.67,000/- to all the Non-Executive Directors for attending the meetings of the Board and/or Committees thereof.

Non-Executive Directors did not have any other pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

7. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings :

Year	Location	Date	Time
2000-2001	BA-74, Sector-I, Salt Lake City, Calcutta-700 064	28.9.2001	3.00 P.M.
2001-2002	Same as above	13.9.2002	3.00 P.M.
2002-2003	7, Council House Street, Kolkata 700 001	25.6.2003	11.30 A.M.

No special resolutions were required to be put through postal ballot during the year under review.

8. DISCLOSURES:

(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:

None. Suitable disclosures as required by Accounting Standard 18 has been made in the Annual Report.

(b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no cases of non-compliance of any matter related to capital markets during the last three years.

9. MEANS OF COMMUNICATION:

The Equity Shares of the Company were listed w.e.f 11th March 2004. Accordingly, the requirements of the publication of financial results, meeting of half-yearly report to the shareholders, presentation to the Institution, Investors or the analysts etc., will be complied with suitably as may be deemed appropriate during the current year.

Management Discussion & Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION:

Registered Office : 7, Council House Street, Kolkata - 700 001

Annual General Meeting (AGM) : Friday, the 10th September 2004 at 12.15 PM at Shripati Singhania Hall, Rotary Sadan, 94/2, Jawaharlal Nehru Road (Chowringhee Road), Kolkata-700 020

Date, Time & Venue

Financial Calendar

Financial Reporting for the quarter ended:

1st Quarter ended By end of July 2004
30th June 20042nd Quarter ended By end of October 2004
30th September 20043rd Quarter ended By end of January, 2005
31st December 20044th Quarter ended By end of May/June, 2005
31st March 2005

Annual General Meeting for the financial year 2004-05 Between August and September 2005

Date of Book Closure 6th September to 10th September 2004 (both days inclusive)

Listing on Stock Exchanges The Equity Shares of the Company are listed on the Stock Exchanges at Mumbai and Kolkata. The annual listing fee for the financial year 2004-05 has been paid to both the Stock Exchanges.

Security Code for Company's Equity Shares on Stock Exchanges and ISIN No. Mumbai - 532519
Calcutta - 10020254
The ISIN number of the Equity Shares is INE211G01014.Stock Market Price Data Trading in the Equity Shares of the Company commenced on 11th March 2004. Share price witnessed high of Rs.21.00 and low of Rs.7.55 at BSE between 11th March - 31st March 2004.**Comparison with BSE Sensex****Between 11th March and 31st March 2004, there was a fall in Company's closing share price from Rs.15.55 to Rs. 9.40 (-39.55%) as compared to the BSE Sensex, which declined from 5650 to 5590 (- 1.06%).****Distribution of Shareholding**

No. of Equity Shares Held	No. of Shares		Share holders	
	Number	% of Total	Number	% of Total
1 - 250	640350	12.23	17089	99.49
251 - 500	100957	1.93	29	0.17
501 - 1000	119787	2.29	19	0.11
1001 - 5000	564868	10.78	22	0.13
5001 - 10000	423426	8.08	6	0.03
10001 - above	3388407	64.69	11	0.07
Total	5237795	100%	17,176	100%

SHARE TRANSFER SYSTEM

The transfer of shares in physical form is normally processed and completed within a period of 20 days from the date of receipt thereof. In case of shares held in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

DEMATERIALISATION OF SHARES AND LIQUIDITY

Trading in the Equity Shares of the Company is permitted on Stock Exchanges only in dematerialised form. Shareholders may dematerialise their holdings in physical form with any one of the Depositories namely, NSDL and CDSL. As on 31st March 2004, 68.55% of the Equity Shares were held in dematerialised form. The Equity Shares of the Company are frequently traded on the Stock Exchange, Mumbai. In respect of shares held in dematerialised form, all the requests for nomination, change of address, change of bank mandate/bank particulars and rematerialisation of shares etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

Outstanding GDRs/ADRs/Warrants/Options : NIL
or any Convertible instruments, conversion date and likely impact on equity

PLANT LOCATION

The plant of JK Sugar Limited is located at Meeranaj, Uttar Pradesh (Transferred from J.K. Industries Ltd. on 5th September 2003 with effect from 1st April 2002).

1. Address for Correspondence for Share Transfer and Related Matters

Shri S. A. Bidkar Telephone : 011-23311112/3/4/5
V.P. (Finance) & Secretary Extn. 406
JK Sugar Limited Fax: 91-11-23716607
Link House Email: Investorjksugar@jksmail.com
3, Bahadur Shah Zafar Marg
New Delhi-110 002

2. The Company has appointed M/s Alankit Assignments Ltd. as Registrar & Share Transfer Agent and all correspondence regarding Share Transfer and related matters can be sent to them at the following address :-

Alankit Assignments Ltd. Phone No. 011 - 51540060-63
205-208, Anarkali Market, Fax: 91-11-51540064
Jhandewalan Extn., Email: alankit@alankit.com
New Delhi - 110 055. Website: www.alankit.com

Disclosure of names of persons constituting group in relation to JK Sugar Limited pursuant to Regulation 3(1)(e)(f) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997.

JK Corp. Ltd., Mayfair Finance Ltd., Sidhi Vinayak Investment Ltd., Terrestrial Finance Ltd., Yashodhan Investment Ltd., J.K. Industries Ltd., Hansdeep Investment Ltd., Panchanan Investment Ltd., Radial Finance Ltd., Hidrive Finance Ltd., JK Paper Ltd., Fenner India Ltd., BMF Beltings Ltd., JK Agri Genetics Ltd., Bengal & Assam Company Ltd., Nav Bharat Vanijya Ltd., Juggilal kamlapat Udyog Ltd., JK Agents Ltd., Pranav Investment (MP) Company Ltd., Param Shubham Vanijya Limited., JK Credit & Finance Ltd., Ashim Investment Company Ltd., Juggilal Kamlapat (Agency)Ltd., Orlap Investment Ltd., Ethnic Investment Ltd., Sthenic Investment Ltd, Habras International, Juggilal Kamlapat Lakshmiapat and Directors of the promoter group and their relatives.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

JK Sugar Limited,

We have examined the compliance of conditions of Corporate Governance by JK Sugar Limited, for the year ended March 31, 2004, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/ pending for more than 30 days.

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

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants

Report Junction.com

Place: New Delhi

Dated : 30.6.2004

(J. KRISHNAN)
Partner