



August 20, 2026

To,
BSE Limited
1st Floor, New Trading Ring,
Rotunda bldg., P.J. Towers,
Dalal Street, Mumbai- 400001
Scrip Code: 543267

National Stock Exchange of India
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai -400051
NSE Symbol: DAVANGERE

Subject: 55th Annual Report of the Company for Financial Year 2025-26

Dear Sir/Madam,

Pursuant to Regulation 34 of the Listing Regulations, we are enclosing herewith the Notice convening the 55th Annual General Meeting (AGM) and Annual Report of the Company for the Financial Year 2025-26, which is being sent through electronic mode to those members whose e-mail addresses are registered with the Company / Registrar & Share Transfer Agent ('RTA') / Depository Participant(s) ('DPs').

Further, in accordance with the Regulation 36(1)(b) of the Listing Regulations, a letter will be sent to the members whose e-mail addresses are not registered with the Company/RTA/DPs, providing a web-link from where the Notice of the AGM and Annual Report can be accessed on the website of the Company.

The 55th AGM will be held on Saturday, September 12, 2026 at 11.00 A.M. (IST) scheduled to be held at Thogataveera Samudhaya Bhavana, M.C.C 'A' Block, Davangere -577004.

The aforesaid Annual Report along with Notice has been uploaded on website of the Company at <https://davangeresugar.com/>

You are requested to kindly take the same on records.

Thanking you,

For Davangere Sugar Company Limited

GANESH
SHIVASHANKARAPPA
SHAMANUR

Digitally signed by GANESH
SHIVASHANKARAPPA SHAMANUR
Date: 2026.08.20 14:26:06 +05'30'

S.S.Ganesh
Managing Director
DIN: 00451383
Encl.: As above



EMPOWERING FARMERS
TRANSFORMING LIVE

DAVANGERE SUGAR COMPANY LIMITED

“Driven by Legacy, Powered by Innovation“

55th
ANNUAL REPORT
2025-26

REGISTERED OFFICE:
Office No.73/1,
P.B. No. 312, Shamanur Road,
Davangere-577004,
Karnataka .

www.davangeresugar.com

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CORPORATE INFORMATION >>

BOARD OF DIRECTORS

Mr. S.S. Ganesh
Chairman & Managing Director

Mr. Abhijith G. Shamanur
Executive Director

Mr. Achal Kapoor
Independent Director

Ms. Vinita Dilip Modak
Independent Director

Ms. Hima Bindu Sagala
Independent Director

Mrs. Swati Shamanur
Non-Executive Director

State Bank of India, Canara Bank, Indian Bank, DDCC Bank, SVC CO-OPERATIVE BANK LTD

Bankers of the Company

L10721KA1970PLC001949

Corporate Identification Number

Mr. Parameshwarappa Onkarappa
Chief Financial Officer

Mr. Vishwanath Patil
Company Secretary and
Compliance Officer

Statutory Auditors
DGMS & Co, Chartered
Accountants, Mumbai

Secretarial Auditors
CS Prashanth D Shedbal,
Practicing Company Secretary

Registered Office
73/1, Post Box No.312,
Shamanur Road, Davangere.
KA:- 577004.

Registrar and Share
Transfer Agent
M/s. Integrated Registry
Management Services Pvt. Ltd.



BRIEF INTRODUCTION



“Indian Sugar Companies Embracing Ethanol: A Shift Towards Sustainable Energy Solutions”

The Indian Ethanol Market will develop over the next five years because of government initiatives like the new Ethanol Blended Petrol (EBP) Program, which requires oil manufacturing companies (OMCs) to mix 10 percent ethanol in gasoline by the end of 2022 and **20 percent by 2026**. To achieve the target of 20% ethanol blending with petrol by 2025, about 1,016 crore litres of ethanol would be required and about 334 crore litres would be required for other uses, creating huge demand-supply gap.

Davangere Sugar Company Limited (“DSCL”) was incorporated in the year 1970 as Joint Sector Company by Karnataka Agro Industries Corporation Limited, Karnataka State Small Industries Development Corporation Limited, IDBI, ICICI, IFCI and local farmers with initial equity capital base of ₹ 160 lacs.

DSCL commenced commercial production of Sugar in the year 1974, with a capacity of 1250 TCD. The Government of Karnataka was managing the affairs of the company till the year 1995.





Shamanur group acquired the shares owned by Government of Karnataka & took over the management of the company during the FY 1995-96

DSCL is a leading player in the sector of sugar, ethanol, and co-generation industry, renowned for manufacturing high-quality ethanol products. Covering an extensive area of 4,800 hectares dedicated to sugarcane cultivation, DSCL has cultivated enduring partnerships with farmers, facilitated by their multi-decade experience and a robust network of 5,255 individuals as of 31 March, 2026.

DSCL shifted its business focus from being a commodity producers to green energy producers by installing molasses/sugar syrup and grain-based Ethanol unit with installed capacity of 65 KLPD and started commercial production from Q1 FY23. The company commissioned a generation power plant with an installed capacity of 24.45 MWs per day in 2004 while expanding its cane-crushing capacity to 4750 TCD. The company enjoys strong relationships due to its long-standing existence of over 50+ years. The company takes pride in promoting a sustainable economy by providing employment opportunities to the local community, showcasing its commitment to social responsibility and community development. These factors have been pivotal in driving the company's success and growth, and it remains dedicated to upholding these values for the future.





CORPORATE SNAPSHOT

OUR VISION

"To be a leading and sustainable sugar, power and ethanol company, driving innovation, fostering community development, and promoting environmental stewardship."

OUR MISSION

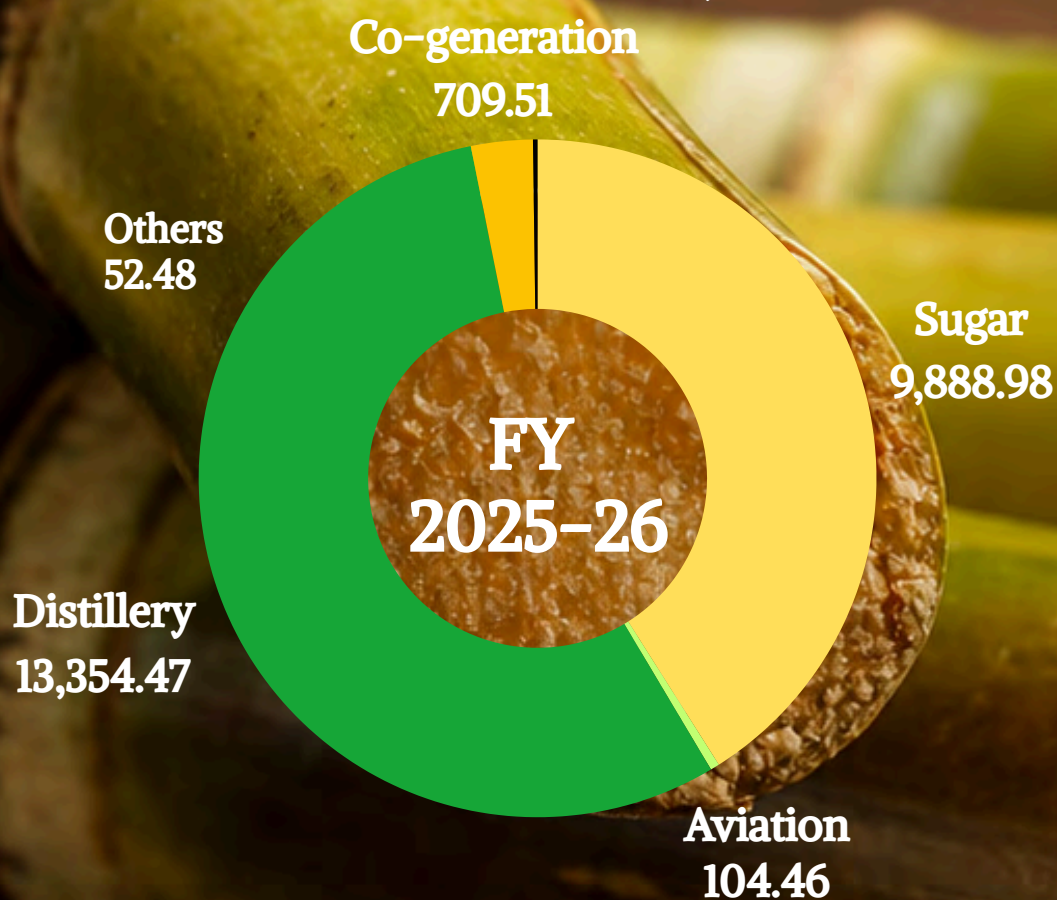
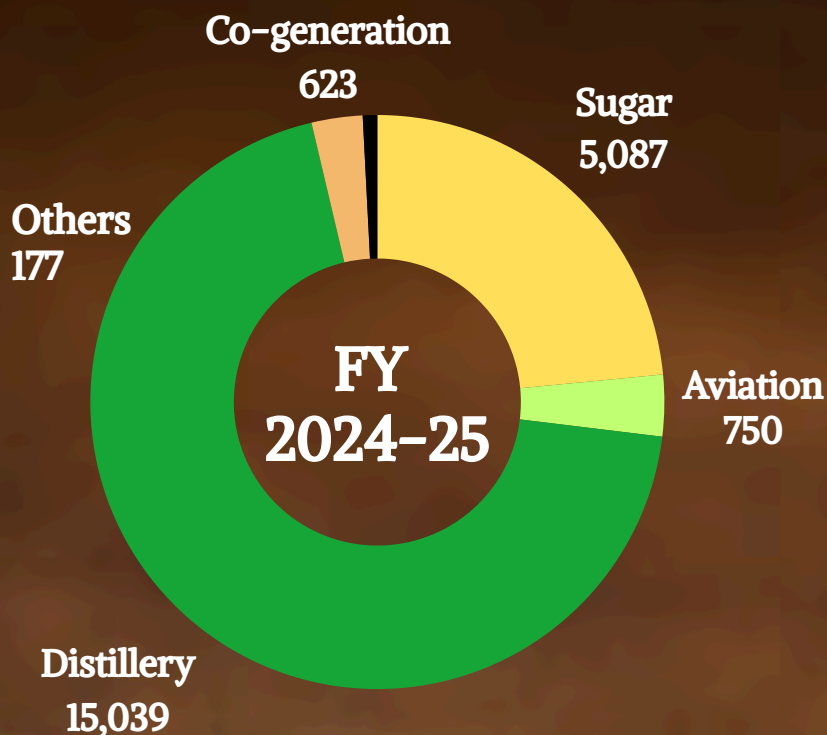
"Driving Sustainability, Empowering Tomorrow: Our mission encompasses two core objectives: first, to consistently improve the production of high-quality bio-fuel by responsibly and extensively cultivating high-yielding varieties of sugarcane; second, to produce top quality sugar. We are deeply committed to environmental stewardship, actively fostering innovation, and making meaningful contributions to the development of our communities. Concurrently, our focus is on uplifting the income and overall well-being of our farmers, ensuring a sustainable and prosperous future for all."

By adhering to this vision and mission, we aspire to lead the sugar and ethanol industry towards a greener and more sustainable future, benefiting our stakeholders, society, and the planet as a whole.



OUR REVENUE MIX

Business Segments Revenue
(₹ Lakhs)



OUR LEGACY



Incorporated in 1970, Davangere Sugar Company Limited (DSCL) is involved in the business of production of Sugar, Ethanol and Co-Generation. DSCL commenced commercial production of sugar with a capacity of 1250 TCD and has increased the capacity to 4750 TCD over the years. The company is now among India's oldest integrated sugar companies.

Sugar Crushing
4,750.00
(TCD)

Ethanol Capacity
65.00
KLPD

Co-Generation (MW)
24.45

The company aims to expand its existing production capacity from 65 KLPD (Kilo Litres Per Day) to 85 KLPD by Dec 2027.



OUR LOCATIONS

The company is located in Karnataka, which is one of the leading states contributing significantly to India's total sugar output. The factory is located on a land area of 165 acres at Kukkuwada village, 18 kms away from Davangere city, Karnataka state. The factory is surrounded by fully irrigated sugarcane growing belt of 30,000 acres. The Sugarcane areas are located within a radius of 35 kms surrounding the factory.

OUR PEOPLE

The company comprises a pool of skilled and unskilled employees with an employee strength of 382 Employees as on March 31, 2026. The talent comprised capabilities across agriculture, manufacturing, IT, research Finance and other functions.





OUR VENDORS

Davangere Sugar Ltd. has developed longstanding relationships with farmers due to multi-decade experience. The company's farmer relationships comprised 5,255 individuals as on 31st March, 2026.

OUR LISTING DETAILS

The Company's shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company's market capitalisation was 53,338.66 lakhs on NSE as on March 31, 2026.





OUR PRODUCTS

Davangere Sugar Company Ltd is a prominent player in the sugar business, boasting a present capacity of 4750 TCD (Tonnes of Cane Crushed per Day) at its sugar plant. The company's sugar unit buildings span an extensive area of approximately 283,874.00 square feet.

Additionally, the company has established 5 large warehouses, with a combined capacity to store 6 lakh quintals of sugar, ensuring efficient storage and distribution capabilities.

Furthermore, the company has dedicated facilities for the storage of spares, components, and raw materials essential for sugar production.



**SUGAR
BUSINESS**





The company places a strong emphasis on environmental responsibility, with a well-equipped Effluent Treatment Plant (ETP) in place for the effective treatment of effluents generated during the production with its substantial capacity, state-of-the-art infrastructure, and eco-conscious approach, Davangere Sugar Company Ltd is well-positioned to meet market demands and continue its success in the sugar industry.

Sugar Production

137,840.00
(Quintals)

Capacity Utilisation

(FY 2026)
53.89

Sugar Recovery
9%

Sugarcane Crushed

187,913.11 MTs



ETHANOL BUSINESS

We take immense pride in our state-of-the-art ethanol plant, where we utilize Cane syrup, B-Heavy Molasses, and C-Molasses from our own sugar plant and grains



STRENGTHS

- Existing Sugar Factory and Infrastructure
- Adequate irrigation facilities with ensured cane cultivation & raw material availability for proposed distiller project on a longterm basis.
- Ensured cane availability
- Latest technology equipment with the highest efficiency and
- Sound techno commercial viability

Apart from the strengths listed above, the demand-supply gap in fuel ethanol in India further reinforces the potential of our molasses/sugar syrup and grain-based Ethanol unit, boasting an Installed Capacity of **19,500.00 KLPD**. We commenced commercial production in Q1FY23, positioning ourselves as a prominent player in the sustainable energy sector.

The company aims to further expand its existing ethanol production capacity from **65 KLPD to 85 KLPD** with the projected timeline for completing the expansion.

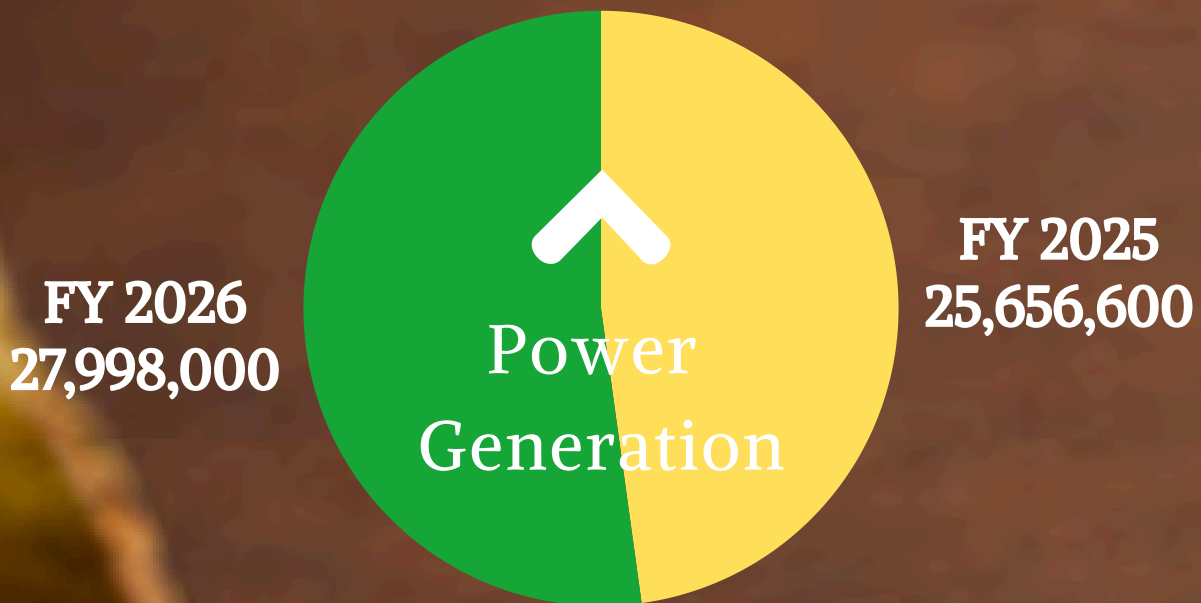




CO-GENERATION BUSINESS

In FY2003-04, the company successfully commissioned a Co-generation power plant with an impressive installed capacity of 24.45 MWs per day. The Co- gen building occupies a substantial area of 1,23,018 square feet, reflecting the scale and efficiency of the power generation facility.

Over the years, the company's power generation division has witnessed remarkable growth, showcasing its commitment to renewable energy solutions. From generating **25656600** KWH (Kilowatt-hours) in FY25 and in FY26 the company has increased the generating to **27998000 KWH** (kilowatt-hours).





This consistent growth in power generation not only underscores the company's capabilities in the renewable energy sector but also highlights its contribution to sustainable practices and reducing the carbon footprint. With its substantial Co-generation power plant and an upward trajectory in power generation output, the company continues to play a pivotal role in the pursuit of clean and efficient energy solutions.

Power Generated (FY26)
27998000 KWH

Capacity Utilization (FY26)
58.91%



OUR JOURNEY OVER THE YEARS



www.davangeresugar.com

1970

Incorporated as
Joint Sector
Company

1974

DSCL commenced
commercial
production of
Sugar with a
capacity of 1250
TCD

1995

Shamananur Group
acquired the
shares from
institutional
bodies of Govt. of
Karnataka and
took over the
management of
the company

1998

Expansion of
Cane Crushing
capacity from
1,250 TCD to 1,500
TCD

2001–2003

Further Expanded
the Cane crushing
capacity from
1,500 TCD to
2,500 TCD

2006– 2012

Expansion of Cane
Crushing capacity
from 2500 TCD to
4750 TCD

2012

Refined sugar
manufacturing
unit with 500 TCD

2022

Company installed
molasses/sugar
syrup and grain-
based Ethanol unit
with installed
capacity of 65
KLPD and started
commercial
production from
Q1FY23



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Our Strengths

Fully Integrated Sugar and Ethanol Manufacturing Plant

Combines sugar and ethanol production seamlessly, utilizing sugarcane as the primary raw material for efficient and sustainable processing. This integrated approach optimizes resource utilization and enhances overall production efficiency.

Ample availability of Sugarcane, Grains, Labour, Water and Power

Karnataka benefits from abundant resources, including ample availability of sugarcane, grains, labor, water, and power, creating a favorable environment for agricultural and industrial activities in the state. This rich resource base enhances the potential for sugar and ethanol production and supports various sectors of the economy.

Huge Land Bank Available for Expansion

Availability of a huge land bank offers ample opportunities for sugar and ethanol production companies to enhance their market presence, achieve economies of scale, diversify their operations, and promote sustainability, ultimately driving growth and success in the industry.

Process in place to produce Premium Ethanol

To produce Premium Ethanol, the company employs a meticulous process involving advanced technology and stringent quality control measures. It begins with selecting high-quality raw materials, followed by precise fermentation and distillation processes, ensuring a pure and superior-grade ethanol product that meets or exceeds industry standards.





Co-Generation of power for Existing Plants

By adopting co-generation of power, existing sugar and ethanol plants can enhance their operational efficiency, reduce their environmental footprint, and contribute to more sustainable and economically viable production processes



Promotes sustainable economy by providing employment opportunities to local community

By providing employment opportunities, promoting skill development, and engaging in community development initiatives, sugar and ethanol companies play a vital role in fostering a sustainable economy that benefits the local community and contributes to the region's social and economic growth.



Creating Value for Stakeholders

» CUSTOMERS

Davangere offers pure and hygienic sugar, premium quality ethanol, and reliable co-gen power to its end-users. Putting customers first, the company ensures superior-grade products and eco-friendly solutions, maintaining its reputation as a trusted and reliable supplier.

» EMPLOYEES

Valuing its 382 employees, the company appreciates their hard work through recognition programs and incentives, fostering a culture of appreciation. Employee well-being and development are prioritized, ensuring a motivated and engaged workforce, crucial for sustaining ongoing success.

» SHAREHOLDERS AND INVESTORS

Our primary focus lies in delivering exceptional financial returns to both individual and institutional shareholders. We achieve this through our well-defined growth platforms and strategic initiatives, ensuring sustainable and profitable outcomes for all stakeholders. Our commitment to maximizing shareholder value remains at the forefront of our business endeavors.

» SUPPLIERS/ FARMERS

As an integrated sugar producer present across the entire value-chain, our company has a diverse and expanding network of suppliers and farmers. Through our extensive operations, from sugarcane cultivation to sugar and ethanol production, we offer valuable opportunities and support to our suppliers/farmers, fostering strong and mutually beneficial relationships in the agricultural community.



» REGULATORS

Changes in regulations and laws are pivotal for ensuring the business sustainability of ethanol, sugar, and co-generation production companies. As the government and environmental agencies update policies, companies must adapt to evolving standards for environmental protection, safety, and renewable energy. Complying with these changes fosters long-term viability, enhances reputation, and positions them for growth in the dynamic and sustainable energy landscape.

» COMMUNITIES

Communities are an integral part of our growth plan, and we are dedicated to making a positive impact by actively supporting and contributing to societal well-being



OUR PERFORMANCE INDICATORS



Particulars	Mar 2026	Mar 2025
Per Share Ratios		
Basic EPS (Rs.)	0.06	0.12
Diluted EPS (Rs.)	0.06	0.12
Cash EPS (Rs.)	0.14	0.27
Book Value (Excl. Revaluation Reserve)/Share (Rs.)	2.45	2.07
Book Value (Incl. Revaluation Reserve)/Share (Rs.)	3.53	3.72
Revenue from Operations / Share (Rs.)	1.69	2.29
PBDIT / Share (Rs.)	0.35	0.56
PBIT / Share (Rs.)	0.27	0.42
PBT / Share (Rs.)	0.08	0.14
Net Profit / Share (Rs.)	0.06	0.12
Profitability Ratios		
PBDIT Margin (%)	21.23	24.32
PBIT Margin (%)	15.91	18.41
PBT Margin (%)	4.6	5.98
Net Profit Margin (%)	3.56	5.04
Return on Net Worth (%)	1.73	5.5
Return on Capital Employed (%)	6.26	12.01
Return on Assets / Investment (%)	0.88	1.73
Long Term Debt / Equity (X)	0.6	0.38
Total Debt / Equity (X)	0.6	1.12
Asset Turnover Ratio (X)	0.3	0.29



OUR PERFORMANCE INDICATORS



Liquidity Ratios		
Current Ratio (X)	1.96	1.43
Quick Ratio (X)	1.1	0.87
Inventory Turnover Ratio (X)	1.35	0.67
Coverage Ratios		
Interest Coverage Ratio (X)	0.16	1.48
Interest Coverage Ratio (Post Tax) (X)	0.16	0.89
Valuation Ratios		
Enterprise Value (₹ Crores)	830.82	700.29
EV / Net Operating Revenue (X)	3.48	64.65
EV / EBITDA (X)	16.39	13.39
Market Cap / Net Operating Revenue (X)	2.23	2.96
Price / BV (incl. Revaluation Reserve) (X)	1.06	1.85
Price / Net Operating Revenue (X)	2.23	2.98
Earnings Yield (%)	1.61	0.11



Board of Directors



Mr. S.S. Ganesh

Managing Director

One of the leading industrialists and businessman, Mr. S.S Ganesh has served as the Managing Director of the company since 2002. Under his dynamic leadership, the company achieved new heights from technology and financial point of view. He has shown that by adopting dynamic management skills, professional management and creating an atmosphere for the team work the industry can realize the new heights of achievements.



Mr. Abhijith G Shamanur

Executive Director

He is a qualified Industrial Engineer Graduated from Northeastern University, Boston, U.S.A. He graduated in Master of Business Administration from University at London. He has been actively involved in the company since last 16 years and currently serves as Executive Director in the company.



Mrs. Swathi Shamanur

Non-Executive Director

Mrs. Swathi Shamanur is Masters of science in Business and Infomiation systems from New Jersey Institute of Technology, USA. She has rich experience in hotel Industry and She is curretly look after the complete administration of the a premier category hotel and conglomerate connected Business activities.





Mr. Achal Kapoor

Independent Director

Mr. Achal Kapoor is a Qualified Associate member of the Institute of Company Secretaries of India (ICSI), a Post Graduate Diploma in Business Management in Finance from Symbiosis Centre for Distance Learning, a Law Graduate from Bhagwati College of Law, CCS University (Meerut). He has more than 10 years of experience as on Legal Manager Level in the field of Corporate Laws, Securities Law, SEBI Compliances, Financial Management, Accounts and Taxation etc. in a Listed Companies, Public and Private Companies.

He adjudged as Best Participant Male in orientation Programme conducted by Institute of Company Secretaries of India (ICSI). He worked in Delhi Stock Exchange, Registrar of Companies or any other legal authorities etc.



Ms. Vinita Dilip Modak

Independent Director

As a Company Secretary and cost and management accountant Ms. Vinita Dilip Modak has worked as business consultant to various business houses mainly from Sugar industry, Manufacturing, Forging, Textile etc. Currently working as an ERP Business Analyst mainly for costing and project management. As Costing ERP solutions assist organization to provide MHR calculations, Project budgets, Monitoring of budgets and cost throughout the project life cycle, product costing, Process costing, Enterprise Resource

Management, identifying cost saving opportunities and provide financial information and analysis for decision making and strategic planning. Legal, Secretarial and Corporate governance, corporate restructuring, financial management and due diligence Corporate advisory services and SCRA and regulations made thereunder Depositories Act



Ms. Hima Bindu Sagala

Independent Director

Fellow Chartered Accountant (F.C.A) Ms. Hima Bindu Sagala has Extensive experience in handling Corporate Audits - Statutory, Internal and Tax Audits, Software and Defense industries, Bank Audits - Statutory, Firms and Small / Medium Enterprises and Extensive Exposure to Book Keeping, Audit Finalisation, working with Statutory Auditors, Income Tax Authorities and handling Investor Relationship Management.

CHAIRMAN'S MESSAGE



Mr. S.S. Ganesh

Dear Shareholders,

It is my distinct privilege to welcome you to the 55th Annual General Meeting of your Company.

As we reflect on our journey over the past five and a half decades, we are reminded that enduring growth is built on the foundations of agility, resilience, and a deep commitment to creating value for all our stakeholders. The past year was a defining chapter in this journey—a year where shifting regulatory landscapes, climatic variability, and global economic

re-alignments tested our operational mettle. Yet, by focusing on execution discipline, integrated operations, and strategic diversification, your Company emerged stronger and more resilient.



Navigating Macro Realities & Industry Dynamics

The Indian sugar and bio-energy sector continues to play a pivotal role in the country's agricultural and energy ecosystem. During the year under review, the industry operated within a complex dynamic marked by fluctuating sugarcane availability, evolving feedstock diversion policies, and shifting global commodity prices.

Despite these external headwinds, your Company demonstrated operational agility. By optimizing cane management, strengthening farmer partnerships, and deploying rigorous cost-control initiatives, we effectively mitigated cost pressures and maintained smooth plant operations.



Accelerating the Bio-Energy & Ethanol Transition

The national imperative towards sustainable energy—driven by the Government's Ethanol Blended Petrol (EBP) Program—presents a transformative opportunity for our business. We continue to pivot from a traditional sugar manufacturer toward an integrated bio-energy and agribusiness solution provider.





- **Distillery Expansion:** Our expanded ethanol capacities played a central role in diversifying our revenue streams. The flexibility to balance sugar production with grain- and cane-based ethanol feed stocks provided crucial downside protection during cyclical troughs.
- **Green Energy & Circularity:** Through our cogeneration operations, we continue to generate clean energy from bagasse, reinforcing a circular economy model where every component of sugarcane is processed into high-value outputs.



Strengthening the Roots: Farmer Partnerships & Sustainable Agriculture

At the heart of our success is our long-standing relationship with over thousands of farmer partners. Sugarcane remains the lifeblood of our operations, and ensuring sustainable livelihoods for our farmers is paramount.

Through targeted agronomy programs, high-yielding seed variety distribution, smart irrigation advice, and mechanized harvesting initiatives, we are helping farmers increase yield per acre while optimizing water and soil resource use. Our commitment to timely payments and continuous field engagement remains unwavering, ensuring mutual trust and supply stability.



Value Addition, Capital Augmentation & Diversification

To insulate our performance from sugar market cycles, your Company continues to sharpen its focus on high-margin value-added products and consumer offerings:

1. **Capital Augmentation for Growth:** Demonstrating strong shareholder support and alignment with our long-term vision, we successfully completed a Rights Issue during the year. This corporate action **increased our share capital from ₹94 crores to ₹142 crores**, providing a stronger equity base and necessary funding to accelerate our strategic growth initiatives, strengthen financial flexibility, and support high-value projects.





Financial Discipline & Governance

In an environment where capital efficiency is paramount, our focus during FY 2026–2027 remained on preserving balance sheet strength, optimizing working capital, and maintaining prudent debt management. Guided by the values of integrity, transparency, and accountability, your Board continues to prioritize long-term corporate governance that safeguards shareholder wealth.



Looking Ahead with Purpose

As we look toward the future, our strategic priorities remain clear:

- Maximize operational efficiencies across our sugar and bio-energy facilities.
- Deepen ESG (Environmental, Social, and Governance) integration across all plant operations and supply chains.
- Continue expanding into high-margin consumer and bio-fuel categories.

The path ahead will present both challenges and new horizons. However, backed by five and a half decades of experience, state-of-the-art infrastructure, and an agile workforce, I am confident in our ability to deliver sustainable, long-term value.



A Note of Gratitude

On behalf of the Board of Directors, I extend my heartfelt gratitude to our farmers for their continued trust, to our employees for their unwavering dedication, to our customers and business partners and Our Consortium Banks and all our lending Institutions for their cooperation extended to our Company, and to our shareholders, for your persistent confidence in our vision.

Sincerely

Mr. Shamanur S. Ganesh

Chairman and Managing Director

(Davangere Sugar Company Limited)





NOTICE

NOTICE IS HEREBY GIVEN THAT THE 55TH ANNUAL GENERAL MEETING OF THE MEMBERS OF DAVANGERE SUGAR COMPANY LIMITED WILL BE HELD ON SATURDAY, THE 12TH DAY OF SEPTEMBER, 2026, AT THOGATAVEERA SAMUDHAYA BHAVANA, M.C.C 'A' BLOCK, DAVANGERE -577004 AT 11.00 A.M (IST)

TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS

1. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

To receive, consider and adopt the Audited Financial Statements of the company including the Balance Sheet of the Company as of 31st March, 2026 and the Statement of Profit and Loss of the Company and the Cash Flow Statement for that period and other Annexures thereof for the Financial Year ended 31st March, 2026 and the Reports of the Board of Directors and Auditors thereon.

2. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution

To appoint Mr. Abhijith Ganesh Shamanur (DIN: 03451918), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

3. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution

To re-appoint and authorise Board of Directors to fix remuneration M/s. D G M S & Co., Chartered Accountants (Firm Registration No. 0112187W) as the Statutory Auditors of the Company for a term of **five consecutive years**.

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 read with the rules made thereunder, M/s. D G M S & Co, Chartered Accountant, (Firm Registration No. 0112187W.) who have confirmed their eligibility for appointment, be and is hereby re-appointed as the Statutory Auditors of the Company for a term of five consecutive years i.e., from conclusion of the 55th Annual General Meeting up to the conclusion of 60th Annual General Meeting of the Company

"RESOLVED FURTHER THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to determine and fix the remuneration payable to M/s. D G M S & Co., Chartered Accountants (Firm Registration No. 0112187W), together with reimbursement of out-of-pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors and the Statutory Auditors."



SPECIAL BUSINESS

4. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE F.Y 2026-27

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of sub-section (3) of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Mr. M. R. Krishna Murthy, Cost Accountant, (having Reg No. FCMA7658) appointed by the Board of Director of the Company as Cost Auditor to conduct the audit of cost records maintained by the Company for the financial year 2026-27 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus GST as applicable and reimbursement of out-of-pocket expenses incurred be and is hereby ratified."

5. INCREASE IN AUTHORISED SHARE CAPITAL AND ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION:

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 13, Section 61(1)(a), Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or re-enactment thereof), consent of the Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 200,00,00,000 (Rupees Two Hundred Crores Only) divided into 200,00,00,000 (Two Hundred Crores) Equity Shares of Rs. 1/- each to Rs. 450,00,00,000 (Rupees Four Hundred Fifty Crore Only) divided into 450,00,00,000 (Four Hundred Fifty Crore) Equity Shares of Rs. 1/- each ranking pari-passu in all respects with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

"RESOLVED FURTHER THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed thereunder, consent of the Members of the Company be and is hereby accorded for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place, the following:

"V. The Authorised Share Capital of the Company is Rs. 450,00,00,000 (Rupees Four Hundred Fifty Crore Only) divided into 450,00,00,000 (Four Hundred Fifty Crore) Equity Shares of Rs. 1/- each with a power to increase, reduce, alter, modify the share capital of the company and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

6. To make loans or investment(s) or provide security and guarantee in excess of the prescribed limits under section 186 of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions if any of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and any other applicable provisions of the law (including any statutory modification or reenactment thereof for the time being in force) and subject to such approvals as may be necessary and subject to the compliance of applicable laws, the consent of the members of the company be and is hereby accorded to:

(a) give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate provided that the aggregate amount of such loans, guarantees, securities and investments outstanding at any time shall not exceed Rs. 1,000 Crore (Rupees One Thousand Crore Only) and

(b) make investments and acquire by way of subscription, purchase or otherwise securities of any other body corporate by cash or swap of shares or other mode or any combination hereof provided that the total amount of such investments outstanding at any time shall not exceed Rs. 1,200 Crore (Rupees One Thousand Two Hundred Crore Only).

RESOLVED FURTHER THAT any Director of the company be and is hereby authorized to decide and finalize the terms and while making investments, granting loans, giving guarantees or providing securities within the aforesaid limits including with the power to transfer and dispose of the investments so made from time to time and to execute all deeds documents and other writings and to do all such acts, deeds, matters and things as may be necessary and expedient for implementing and giving effect to this resolution.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and is hereby authorized to sign any document or agreement appoint any professionals, advocate, consultants or advisors in connection with the aforesaid transactions on behalf of the Company and take necessary steps and to do all acts, deeds, matters and things as may be necessary and incidental to give effect to this resolution including filing of necessary e-forms, if any, with the Registrar of Companies."

7. Approval for making investments in overseas wholly owned subsidiaries, subsidiaries, step-down subsidiaries, joint ventures and other overseas entities.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, including Sections 179, 186 and other applicable provisions, if any, read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Overseas Investment) Rules, Regulations and Directions, 2022, the Foreign Exchange Management (Borrowing and Lending) Regulations, the External Commercial Borrowing (ECB)



Guidelines, and all other applicable laws, rules, regulations, notifications, circulars and guidelines (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, permissions and consents as may be required from the Reserve Bank of India, Government of India or any other statutory or regulatory authority, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any Committee thereof or any person(s) authorised by the Board) to make investment(s), either directly or indirectly, in one or more tranches, aggregating up to USD 100 Million (United States Dollars One Hundred Million Only) or its equivalent in Indian Rupees or any other foreign currency, in one or more overseas wholly owned subsidiaries, subsidiaries, step-down subsidiaries, joint ventures, associate companies or other overseas entities, whether existing or proposed to be incorporated, by way of subscription to or acquisition of equity shares, preference shares, compulsorily convertible securities, debentures, loans, advances, inter-corporate deposits or any other permitted instruments, or through any other mode permissible under applicable laws."

RESOLVED FURTHER THAT such investments may be made for one or more of the following purposes:

- (a) incorporation, acquisition, capitalization or expansion of overseas wholly owned subsidiaries, subsidiaries, step-down subsidiaries, joint ventures or other overseas entities;
- (b) funding working capital requirements, capital expenditure, business expansion, acquisitions, mergers, strategic alliances, collaborations, technology partnerships and other lawful business purposes;
- (c) investment in equity, debt or other permitted securities of overseas entities;
- (d) utilisation of proceeds raised through External Commercial Borrowings (ECB), Foreign Currency Convertible Bonds (FCCBs) or any other permissible overseas borrowings or fund-raising instruments, in accordance with applicable laws;
- (e) investment of surplus funds in fixed deposits, money market instruments, mutual funds or such other eligible investments in India or overseas as may be permitted under applicable laws, pending utilisation for the approved business purposes; and
- (f) undertaking such other investments or financial commitments as may be permissible under applicable laws and considered expedient by the Board in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the identity of the overseas entities, the amount, timing, mode, currency, nature and terms of investment, to execute share subscription agreements, shareholders' agreements, loan agreements and all other documents, and to make, modify, transfer, restructure, increase or divest such investments, in whole or in part, as may be considered necessary or expedient.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and is hereby severally authorised to sign and execute all applications, declarations, agreements, deeds, forms and other documents, appoint legal counsel, consultants, valuers and other professionals,



make filings with the Reserve Bank of India, Registrar of Companies and other statutory or regulatory authorities, and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this Resolution."

8. Issue of Convertible Equity Warrants on Preferential Basis to Promoter

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions of the Companies Act, 2013 ("Act") read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("Takeover Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be required from the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and/or any other statutory or regulatory authority, and subject to such conditions as may be imposed while granting such approvals, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee thereof) to create, issue, offer and allot, in one or more tranches, 10,64,11,079 (Ten Crore Sixty Four Lakh Eleven Thousand Seventy Nine) Convertible Equity Warrants ("Warrants"), each convertible into one Equity Share of face value of ₹1/- each, on a preferential basis to the promoter group, as set out below ("Proposed Allottees"), for consideration other than cash, by way of conversion/adjustment of the outstanding loan aggregating to ₹40,11,69,768 (Rupees Forty Crore Eleven Lakh Sixty-Nine Thousand Seven Hundred Sixty-Eight and Paise Twenty-Four Only), at an issue price of ₹3.77 (Rupees Three and Paise Seventy Seven Only) per Warrant, aggregating to ₹40,11,69,768.24 (Rupees Forty Crore Eleven Lakh Sixty-Nine Thousand Seven Hundred Sixty-Eight and Paise Twenty-Four Only) or such higher price as may be determined in accordance with the SEBI ICDR Regulations, on such terms and conditions as may be determined by the Board in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI ICDR Regulations.

S. No	Proposed Allottees	Category	Number of warrants to be allotted
1.	Mr. Ganesh Shivashankarappa Shamanur	Promoter	10,30,86,225
2.	Mr. Abhijith Ganesh Shamanur, Promoter	Promoter	33,24,854

RESOLVED FURTHER THAT the Equity Shares allotted on exercise of the Warrants shall upon conversion rank pari passu with the existing shares of the Company and in such form and manner and upon such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations or other applicable laws as may be prevailing at that time.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V and Regulation 161 & 164 of SEBI ICDR Regulations, the "Relevant Date" for the purpose of calculating the price for the Issue of Warrants is August 13, 2026.



RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company to the allottees within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms,

- I) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants may be exercised into Equity Shares as aforesaid by the Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Warrants.
- II) The Convertible Warrants are being issued for consideration other than cash, by way of conversion/adjustment of the outstanding loan amounting to ₹40,11,69,768.24 (Rupees Forty Crore Eleven Lakh Sixty-Nine Thousand Seven Hundred Sixty-Eight and Paise Twenty-Four Only) due and payable by the Company to the Proposed Allottee. Accordingly, the entire consideration payable towards the subscription of the Convertible Warrants shall be deemed to have been discharged by way of adjustment of the outstanding loan against the issue price of the Convertible Warrants, and no separate cash consideration shall be payable by the Proposed Allottee either at the time of allotment of the Convertible Warrants or at the time of their exercise, subject to compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- III) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- IV) The Warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of SEBI ICDR Regulations. Further, the pre-preferential allotment shareholding of the Warrant Holders, if any, shall also be subject to the lock-in restrictions in terms of the said Regulations.
- V) The Warrants by itself, until exercised and converted into Equity Shares, shall not give to the Warrant Holders thereof any rights with respect to that of an Equity shareholder of the Company.
- VI) the equity shares allotted upon conversion of the Warrants shall be listed on the Stock Exchange where the existing equity shares of the Company are listed, subject to the receipt of necessary permissions or approvals as the case may be;

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Warrants, subject to the provisions of the Act and SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the allottees and issue a private placement offer cum application letter in the Form PAS-4 to the allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.



RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose to give effect to the above resolution, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the above mentioned Preferential offer (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), making application to Stock Exchange for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, Delhi ("ROC"), National Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and/ or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the Warrant Holders and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Warrants or Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s)/Company Secretary / any Officer(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolution is hereby approved, ratified and confirmed in all respects."

9. To Consider and Approve the Material Related Party Transaction(S)

To consider and, if thought fit, to pass with or without modification(s) the following resolution as **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 177 and other applicable provisions, if any of the Companies Act, 2013 ("Act"), read with applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 23 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the rules made thereunder (including statutory modification thereof and any circulars, notifications, clarifications, rules passed thereunder from time to time), the Memorandum and Articles of Association, Company's Policy on Related Party Transactions and as per the approval of the Audit Committee and Board of Directors of the Company and subject to requisite statutory/regulatory and other



appropriate approvals, if any, as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution), for availing or rendering of any services including issuance of guarantees and/or creation of security by way of pledge by the Company (over shares of AUREVANT GLOBAL LTD, a wholly subsidiary of the Company (“AUREVANT”), and receivables arising out of the inter-company loans advanced or to be advanced by the Company to the AUREVANT or any of its subsidiaries, step down subsidiaries and any disposal upon invocation of pledge as detailed below, and charge or other encumbrance to be created by the AUREVANT on its assets (including disposal upon enforcement of security interest), or any other transactions of whatever nature, in each case, for the benefit of the Company and AUREVANT, being a related party (within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI LODR Regulations) and to enter into contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) including the transactions as detailed below, on the material terms & conditions as more particularly set out in the relevant transaction documents, in favour of potential investors / lenders / security agents / trustees, for the purpose of securing bridge term loan facility for a principal amount of up to USD 100 Million (United States Dollars One Hundred Million Only) or its equivalent in Indian Rupees, as may be applicable on the date of the relevant transaction(s) (“Bridge Financing Facility”) from Banks (in its capacity as mandated lead arranger and original lender) and any other person who becomes lender and other borrowings availed/ proposed to be availed by the AUREVANT, in one or more tranches, on such terms and conditions (including timing, manner and extent of issuance of guarantee/ creation of security or encumbrance and payment of the guarantee commission by the AUREVANT to the Company for providing the corporate guarantee) as the Board and/or the board of the AUREVANT may in its absolute discretion decide or deem fit in the best interest of the Company and the AUREVANT and that the said transactions shall be carried out on an arm’s length basis and in the ordinary course of business of the Company and the AUREVANT. Provided, however, that the aggregate amount/value of all such contract(s)/arrangement(s)/ transaction(s) that may be entered into between the related parties and remaining outstanding at any one point in time shall be within the aggregate limits/ amount and during the financial years as mentioned in the explanatory statement.

RESOLVED FURTHER THAT any Director and/or any Key Managerial Personnel of the Company, or any person(s) authorised by the Board, be and are hereby jointly and/or severally authorised to execute, sign, deliver, modify and amend all agreements, deeds, declarations, applications, forms, documents and writings, and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this Resolution.

10. Approval for transactions involving dilution of shareholding and/or disposal/transfer of assets of overseas wholly-owned subsidiary

To consider and, if thought fit, to pass the following resolution as a Special Resolution:



“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Regulation 24(5), 24(6), and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the Foreign Exchange Management Act, 1999 (FEMA) read with Foreign Exchange Management (Overseas Investment) Rules, 2022, Foreign Exchange Management (Overseas Investment) Regulations, 2022, and the Master Direction/Guidelines issued by the Reserve Bank of India (“RBI Regulations”), as amended from time to time, and subject to the Memorandum and Articles of Association of the Company, and such other approvals, consents, permissions, and sanctions as may be required from regulatory and statutory authorities (including RBI, SEBI, and relevant Stock Exchanges), approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers):

1. **Dilution of Shareholding / Control:** To sell, dilute, divest, transfer, or reduce the Company's equity interest/shareholding (whether through secondary sale or issuance of fresh shares by the subsidiary) in **AUREVANT GLOBAL LIMITED** (“Overseas Subsidiary”), resulting in the reduction of the Company’s shareholding in the Overseas Subsidiary to less than 100% or to a level equal to/less than 50%, or resulting in the cessation of exercise of control over the Overseas Subsidiary.
2. **Disposal/Sale/Transfer of Assets:** To permit the Overseas Subsidiary to sell, lease, transfer, assign, or otherwise dispose of its assets (including tangible, intangible, fixed, intellectual property, or operational assets) amounting to **more than 20% (twenty percent)** of the total assets of the Overseas Subsidiary on an aggregate basis, on such terms and conditions, at such valuation, and in such manner as the Board may in its absolute discretion deem beneficial and in the best interests of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate, finalize, execute, and deliver all necessary contracts, share purchase agreements, share subscription agreements, shareholders' agreements, and undertake all required regulatory filings and to do all such acts, deeds, and things as may be necessary, proper, or expedient to give effect to this resolution."

By the Order of Board
For Davangere Sugar Company Limited
Sd/-
Shamanur S. Ganesh
Managing Director
DIN: 00451383

Date: 14 August, 2026
Place: Davangere

NOTES

1. An explanatory statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, read with the relevant Rules made thereunder (the "Act"), setting out the material facts and reasons, in respect of special businesses and required agendas of this Notice of AGM ("Notice"), is annexed herewith.
2. 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 himself/herself and a proxy need not be a member of the Company. A proxy form is enclosed. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than **48 hours** before the commencement of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. In conformity with the applicable regulatory requirements, the Notice is being sent only through electronic mode to those members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories, as on 14th August, **2026** and who have registered their e-mail address with the Company or Depository Participant(s). Members may note that this Notice will also be available on the website of the Company (<https://davangeresugar.com/>), National Stock Exchange of India Limited (www.nseindia.com), BSE Limited (www.bseindia.com) and NSDL (www.evoting.nsdl.com).
5. Members who have not registered/updated their e-mail address with the Company or Depository Participant(s), may complete the e-mail registration process as under:
 - i) Members holding shares in physical form and whose KYC details including e-mail address are not registered/updated with the Company, may register/update their KYC details including e-mail address by submitting duly filled and signed request letter in Form ISR-1 along with self-attested copy of the PAN Card linked with Aadhaar and self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport, etc.) in support of the address of the member and such other documents as prescribed in Form ISR-1, by e-mail at **Davangeresugars@gmail.com** followed by mandatorily sending the physical copy of the same through post at the Registered Office of the Company; and
 - ii) Members holding shares in demat form can update their e-mail address with their Depository Participant(s).
6. In accordance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter containing a web-link and QR Code for accessing the Notice of the **55th Annual General Meeting** and the Annual Report for the Financial Year **2025-26** is being sent to those Members who have not registered their e-mail IDs.
7. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
8. Since Special Business is proposed to be transacted at the Annual General Meeting, the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed to this Notice.

9. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring the same along with their copy of the Annual Report.
10. In case of joint holders attending the Meeting, only such joint holder whose name appears first in the Register of Members shall be entitled to vote.
11. Members holding shares in dematerialised form are requested to bring details of their Depository Account Number for identification.
12. The Members are requested to intimate changes, if any, in their registered address to the Registrar & Share Transfer Agent for shares held in physical form and to their respective Depository Participants for shares held in electronic form.
13. The Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Share Transfer Agent enclosing their share certificates to enable consolidation of their shareholdings in one folio.
14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between **12.00 Noon and 4.00 P.M.** up to the date of the Annual General Meeting.
15. Members are requested:
 - a. To quote their Folio Number/DP ID & Client ID in all correspondence.
 - b. To note that no gifts will be distributed at the Meeting.
16. Members holding shares in physical form are requested to intimate any change in their Bank Mandate/National Electronic Clearing Service (NECS) details and update their PAN and Bank Account details with the Registrar and Share Transfer Agent. Members holding shares in dematerialised form are requested to intimate such changes to their respective Depository Participants.
17. Members holding shares in physical form may write to the Company/Registrar & Share Transfer Agent (RTA) for any change in their address and bank mandates; members holding shares in electronic form may intimate the same to their respective Depository Participants.
18. For members holding shares in physical form, SEBI has mandated furnishing of PAN linked with Aadhaar, KYC details, bank account details and nomination. Members are requested to comply with the applicable SEBI circulars in this regard. Members holding shares in dematerialised form are requested to keep their KYC details updated with their Depository Participants.
19. In terms of Section 72 of the Companies Act, 2013, a Member may nominate a person in whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit the prescribed Form SH-13 to the Company/RTA or to their Depository Participant, as applicable.
20. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to its Members. The Company has fixed **Saturday, September 05, 2026** as the cut-off date for determining the entitlement of Members to cast their vote electronically.
21. The remote e-voting period will commence at **9.00 A.M. (IST) on Wednesday, 09th September, 2026** and will end at **5.00 P.M. (IST) on Friday, 11th September, 2026**.
22. The Company has appointed **Ms. Ashwini Inamdar (FCS No. 9409 / CP No. 11226), Partner, M/s. Mehta & Mehta, Company Secretaries**, as the Scrutinizer for conducting the scrutiny of the votes cast through remote e-voting and voting at the AGM in a fair and transparent manner. Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given as Annexure to the Notice.



23. The Company has engaged the services of **National Securities Depository Limited (NSDL)** for providing remote e-voting facility and e-voting at the Annual General Meeting.
24. SEBI has introduced the Online Dispute Resolution (ODR) mechanism in addition to the existing SCORES platform. Members may initiate dispute resolution through the ODR Portal after exhausting the option of resolution with the Company and through the SCORES platform.
25. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. Members are, therefore, advised to dematerialise their physical shareholdings to avail the various benefits of dematerialisation.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

During this period shareholders of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on Saturday, September 05, 2026.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins at 09.00 A.M. on 09th September 2026 and will end at 05.00 P.M. on 11th September, 2026. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. September 05, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 05, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to 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 in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are 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 4. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual

	meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system

	of all e-Voting Service Providers.
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. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ashwini.i@mehta-mehta.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to (Amit Vishal) at evoting@nsdl.com



Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@davangeresugars.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@davangeresugars.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.



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

An explanatory statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, read with the relevant Rules made thereunder (the 'Act'), setting out the material facts and reasons, in respect of Item no. 3 to 10 of this Notice of AGM ('Notice'), is annexed herewith.

Item 3: Re-appointment of Statutory Auditors

The Board of Directors has recommended the re-appointment of M/s. D G M S & Co., Chartered Accountants (Firm Registration No. 0112187W), as the Statutory Auditors of the Company for a period of five years, commencing from the conclusion of the 55th Annual General Meeting ("AGM") till the conclusion of the 60th AGM, subject to the approval of the Shareholders.

M/s. D G M S & Co., Chartered Accountants, have consented to the said re-appointment and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 ("the Act"). They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Sections 141(2) and 141(3) of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The details required to be disclosed under the provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

A. Proposed fees payable to the Statutory Auditors:

₹5,00,000/- (Rupees Five Lakhs Only) plus, applicable taxes and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit of the accounts of the Company.

B. Terms of Appointment:

Appointment as the Statutory Auditors of the Company from the conclusion of the 55th AGM up to the conclusion of the 60th AGM to carry out the audit of the Financial Statements and Annual Financial Results of the Company and limited review of the unaudited quarterly financial results of the Company. All other terms of appointment shall be as per the Letter of Engagement.

C. Basis of recommendation for appointment:

The Audit Committee and the Board of Directors have considered various evaluation criteria, including the firm's experience, expertise, skillset, governance standards, independence, and competitiveness, and have accordingly recommended the appointment of M/s. D G M S & Co., Chartered Accountants, as the Statutory Auditors of the Company for the approval of the Shareholders.

M/s. D G M S & Co., Chartered Accountants, has subjected itself to the Peer Review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of ICAI. The Company has received their written consent, eligibility certificate and



confirmation that they satisfy the criteria prescribed under the Companies Act, 2013 and the rules made thereunder for their proposed appointment as the Statutory Auditors of the Company for the period commencing from the conclusion of the 55th Annual General Meeting up to the conclusion of the 60th Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. M. R. Krishna Murthy, Cost Accountants, (having Reg No. FCMA7658), as the cost auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2026-27 at its Board meeting held on 28th July 2026, at a fee of Rs. 50,000/- (Rupees Fifty Thousand) plus GST as applicable and reimbursement of out of pocket expenses as remuneration for cost audit services for the FY 2026-27.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending 2025-26. The Board recommends the Ordinary Resolution for approval by the shareholders.

None of the Directors or Key Managerial Personnel of your Company including their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 4 of this Notice except as mentioned in the explanatory statement, if any.

Item 5:

INCREASE IN AUTHORISED SHARE CAPITAL AND ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

Presently the Authorized Share Capital of the Company is Rs. 200,00,00,000 (Rupees Two Hundred Crore Only), and Paid-up Share Capital of the Company is Rs. 1,42,99,90,798 (Rupees One Hundred Forty Two Crores Ninety Nine Lakhs Ninety Thousand Seven Hundred Ninety Eight Only) divided into 1,42,99,90,798 Equity Shares of Rs. 1/- each.

In this regard, the Board, at its meeting held on July 28, 2026, has accorded its approval for increasing the Authorised Share Capital from Rs. 200,00,00,000 (Rupees Two Hundred Crore Only) divided into 200,00,00,000 (Two Hundred Crores) Equity Shares of Rs. 1/- each to Rs. 450,00,00,000 (Rupees Four Hundred Fifty Crore Only) divided into 450,00,00,000 (Four Hundred Fifty Crore) Equity Shares of Rs. 1/- each and consequent amendment in the Capital Clause (Clause V)



of Memorandum of Association of the Company, subject to approval of the shareholders of the Company.

The reason for the increase in the authorized share capital of the Company is to take care of increase in paid up capital of the company on account of raising funds and issuance of securities through all permissible modes Pursuant to Sections 13, 61(1)(a) and 64 of the Companies Act, 2013 alteration of the Capital Clause requires approval of members of the Company by way of passing ordinary resolution to that effect.

Accordingly, the Board recommends the resolutions set out at Item No. 5 seeking approval of the Members for increasing the Authorised Share Capital of the Company and consequential amendment to the Memorandum of Association of the Company.

The draft of the revised Memorandum of Association reflecting the said changes is uploaded on the company's website <https://davangeresugar.com/> The Board recommends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the said resolutions.

ITEM NO. 6: TO MAKE LOANS OR INVESTMENT(S) OR PROVIDE SECURITY AND GUARANTEE IN EXCESS OF THE PRESCRIBED LIMITS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

As a part of its business strategy, the Company may be required to invest the funds of the Company or provide loan security and/or guarantee in furtherance of its business objectives or to carry out its business operations.

The said investment/ Loan/ securities and/or guarantee taken together may at any time exceed the limits defined under Section 186 of the Companies Act, 2013. In terms of the provisions of section 186 of the Companies Act, 2013, authority to the Board of Directors of the Company to give loan(s), give guarantee(s), provide security(ies) and to make investment(s) together with loan(s) / guarantee(s) / security(ies) already given and investments already made by the Company to other body corporate(s) or person(s) or bank(s) or other financial institution(s) in the ordinary course of business exceeding the prescribed limits i.e. i) sixty per cent of the aggregate of the paid-up share capital its free reserves and securities premium account of the Company or ii) hundred per cent of its free reserves and securities premium account of the Company whichever is more needs prior approval of shareholders of the Company by means of a special resolution.

Accordingly, present resolution is proposed for approval of the members to authorize the Board of Directors of the Company to:

(a) give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate provided that the aggregate amount of such loan investment and guarantee outstanding at any time shall not exceed Rs. 1,000 Crore (Rupees One Thousand Crore Only) and



(b) Make investment and acquire by way of subscription, purchase or otherwise securities of any other body corporate by cash or swap of shares or other mode or any combination hereof provided that the total amount of such investments outstanding at any time shall not exceed Rs.1,200 Crore (Rupees One Thousand Two Hundred Crore Only Only), which exceeds the prescribed ceiling under Section 186 of the Companies Act 2013.

The Board of Directors recommend the resolution as set out at Item No. 6 for approval of members as Special resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No. 7: APPROVAL FOR MAKING INVESTMENTS IN OVERSEAS WHOLLY OWNED SUBSIDIARIES, SUBSIDIARIES, STEP-DOWN SUBSIDIARIES, JOINT VENTURES AND OTHER OVERSEAS ENTITIES

The Company, in the ordinary course of its business and in line with its long-term growth strategy, proposes to expand its international presence through investments in overseas wholly owned subsidiaries, subsidiaries, step-down subsidiaries, joint ventures, associate companies and/or other overseas entities. Such investments are intended to facilitate global business expansion, strengthen the Company's international operations, pursue strategic acquisitions and collaborations, support working capital and capital expenditure requirements, and enable efficient treasury and financial management.

The proposed investments may be made by way of subscription to or acquisition of equity shares, preference shares, compulsorily convertible securities, debentures, loans, advances, inter-corporate deposits or any other permissible instruments, in one or more tranches, in accordance with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Overseas Investment) Rules, Regulations and Directions, 2022, the External Commercial Borrowing (ECB) Guidelines and other applicable laws.

The Board also proposes to utilise, where considered appropriate, proceeds raised through External Commercial Borrowings (ECB), Foreign Currency Convertible Bonds (FCCBs) or any other permissible overseas borrowings for making such investments, subject to compliance with applicable laws. Pending utilisation for the approved business purposes, surplus funds may also be temporarily invested in fixed deposits, money market instruments, mutual funds or other eligible investments, as permitted under the applicable legal framework.

Pursuant to the provisions of Section 186 of the Companies Act, 2013, where the aggregate of loans, guarantees, security and investments exceeds the limits prescribed under the said section, prior approval of the members by way of a Special Resolution is required. Accordingly, the approval of the Members is sought to authorise the Board of Directors to make investments, directly or indirectly, in one or more tranches, aggregating up to USD 100 Million (United States Dollars One Hundred Million Only) or its equivalent in Indian Rupees or any other foreign currency, in one or more overseas wholly owned subsidiaries, subsidiaries, step-down subsidiaries, joint ventures, associate companies and/or other overseas entities, whether existing or proposed to be incorporated.

The proposed authorization will provide the Board with the necessary flexibility to identify suitable investment opportunities and undertake investments in a timely manner without seeking separate approval of the Members for each transaction, subject to compliance with all applicable statutory and regulatory requirements.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 8:

The Board of Directors of Davangere Sugar Company Limited ("Company") at its meeting held on Friday, August 14, 2026, subject to the approval of the Members of the Company and such other statutory, regulatory and governmental approvals as may be required, approved the issue and allotment of up to 10,64,11,079 (Ten Crore Sixty Four Lakh Eleven Thousand and Seventy Nine) Convertible Equity Warrants ("Warrants"), each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share of face value of ₹1/- each of the Company, on a preferential basis, at an issue price of ₹3.77 (Rupees Three and Paise Seventy Seven Only) per Warrant (including the warrant subscription price and warrant exercise price), aggregating to ₹40,11,69,768.24 (Rupees Forty Crore Eleven Lakh Sixty-Nine Thousand Seven Hundred Sixty-Eight and Paise Twenty-Four Only), to the Proposed Allottees belonging to the Promoter Group, for consideration other than cash, by way of conversion/adjustment of the outstanding unsecured loans advanced by them to the Company.

The proposed preferential issue is being undertaken in accordance with the provisions of Sections 23, 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 read with the applicable Rules framed thereunder and Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws. Pursuant to Sections 23, 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163 of the SEBI ICDR Regulations, approval of the Members by way of a **Special Resolution** is required for the proposed preferential issue.

Accordingly, the Board recommends the Special Resolution set out at **Item No. 8** of the accompanying Notice.

In terms of Regulation 163 of the SEBI ICDR Regulations and other applicable provisions, the requisite disclosures are provided below:

1. Particulars of the Preferential Issue

The Board proposes to issue and allot, on a preferential basis, **up to 10,64,11,079 Convertible Equity Warrants**, each convertible into or exchangeable for **one fully paid-up Equity Share** of face value **₹1/- each**, at an issue price of **₹3.77 per Warrant**, aggregating to **₹40,11,69,768.24**, to the Proposed Allottees belonging to the Promoter Group.

The Warrants shall be convertible into Equity Shares within the period prescribed under the SEBI ICDR Regulations.



2. Objects of the Preferential Issue

The Company has, from time to time, availed unsecured loans from the Proposed Allottees to meet its working capital requirements, capital expenditure and general corporate purposes.

In order to strengthen the capital structure of the Company, improve its debt-equity ratio, reduce finance costs and optimize its balance sheet, the Board has considered it appropriate to convert the outstanding unsecured loans into Convertible Equity Warrants.

Accordingly, the proposed issue shall not result in any inflow of fresh funds into the Company since the consideration shall be discharged by way of adjustment of the outstanding unsecured loans aggregating to **₹40,11,69,768.24**.

The proposed conversion is expected to:

- strengthen the Company's net worth;
- reduce the debt burden;
- improve leverage ratios;
- improve the Company's capital base;
- provide greater financial flexibility for future growth.

3. Maximum Number of Securities to be Issued

The Company proposes to issue and allot, on a preferential basis, **Up to 10,64,11,079 Convertible Equity Warrants** at an issue price of **₹3.77 per Warrant** aggregating to **₹40,11,69,768.24**. Each Warrant shall entitle the holder to apply for and be allotted **one Equity Share** of face value of ₹1/- each.

4. Relevant Date

In accordance with Regulation 161 of the SEBI ICDR Regulations, the **Relevant Date** for determination of the issue price is **Thursday, August 13, 2026** being the date **30 days prior to the date of the Annual General Meeting** proposed to be held on **Saturday, September 12, 2026**.

5. Basis or Justification of the Price

The Equity Shares of the Company are listed on

- BSE Limited; and
- National Stock Exchange of India Limited.

The Equity Shares are frequently traded within the meaning of the SEBI ICDR Regulations.

The issue price of **₹3.77 per Convertible Equity Warrant** has been determined in accordance with Regulation 164 of Chapter V of the SEBI ICDR Regulations and is not less than the minimum price determined in accordance with the applicable provisions thereof.

The Board considers the aforesaid issue price to be fair and reasonable and in compliance with the applicable provisions of the SEBI ICDR Regulations.

6. Intent of the Promoters, Directors or Key Managerial Personnel to Subscribe to the Preferential Issue

The following Promoters/Promoter Group Members have expressed their intention to subscribe to the Convertible Equity Warrants proposed to be issued under the Preferential Issue:

Sr. No.	Name of Proposed Allottee	Category	Maximum No. of Convertible Equity Warrants proposed to be allotted
1.	Mr. S. S. Ganesh	Promoter	10,30,86,225
2.	Mr. Abhijith Ganesh Shamanur	Promoter	33,24,854

Save and except the above, none of the Promoters, members of the Promoter Group, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed Preferential Issue.

7. Particulars of the Proposed Allottees

The details of the Proposed Allottees are as under:

Name of Proposed Allottee	Category	Ultimate Beneficial Owner
Mr. S. S. Ganesh	Promoter	Self
Mr. Abhijith Ganesh Shamanur	Promoter	Self

The Proposed Allottees are the Promoters of the Company.

8. Shareholding Pattern of the Company

The pre-issue and post-issue shareholding pattern of the Company is as follows:

Category	Pre-Issue No. of Equity Shares	%	Post-Issue No. of Equity Shares	%
Promoter & Promoter Group	59,53,23,205	41.63	70,17,34,284	45.67
Public Shareholding	83,46,67,593	58.37	83,46,67,593	54.32
Total	142,99,90,798	100.00	153,64,01,877	100.00

Note: The post-issue shareholding shall be updated based on the actual number of Convertible Equity Warrants allotted and their subsequent conversion into Equity Shares.

9. Pre-Issue and Post-Issue Shareholding of the Proposed Allottees

Name	Pre-Issue Shareholding	%	Maximum Warrants	Post-Issue Shareholding*	%
Mr. S. S. Ganesh	35,74,18,674	24.99	10,30,86,225	46,05,04,899	29.97
Mr. Abhijith Ganesh Shamanur	6,91,47,240	4.83	33,24,854	7,24,72,094	4.72

*Assuming full conversion of the Convertible Equity Warrants into Equity Shares.

10. Consequential Changes in Voting Rights



The voting rights of the Proposed Allottees shall change only upon conversion of the Convertible Equity Warrants into Equity Shares and consequent allotment thereof.

The voting rights shall be in accordance with the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI ICDR Regulations.

11. Change in Control or Management

The proposed Preferential Issue shall not result in any change in the management or control of the Company.

The existing Promoters shall continue to remain in control of the affairs of the Company after the proposed allotment and conversion of the Convertible Equity Warrants.

12. Time within which the Preferential Allotment shall be Completed

In terms of Regulation 170 of the SEBI ICDR Regulations, the allotment of the Convertible Equity Warrants shall be completed within a period of 15 (Fifteen) days from the date of passing of the Special Resolution by the Members, provided that where any approval or permission from any regulatory authority is pending, the allotment shall be completed within 15 (Fifteen) days from the date of receipt of such approval or permission.

13. Terms of Issue and Conversion of the Convertible Equity Warrants

The salient terms of issue are as follows:

- a) The Convertible Equity Warrants shall be issued on a preferential basis in accordance with the Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations.
- b) Each Convertible Equity Warrant shall be convertible into one fully paid-up Equity Share of face value of ₹1/- each.
- c) The Convertible Equity Warrants may be exercised by the Warrant Holder(s), in one or more tranches, at any time within 18 (Eighteen) months from the date of allotment.
- d) Upon exercise of the Warrants and allotment of Equity Shares, such Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company.
- e) The Convertible Equity Warrants are proposed to be issued for consideration other than cash, by way of adjustment/conversion of the outstanding unsecured loans advanced by the Proposed Allottees to the Company.
- f) The issue and allotment of the Convertible Equity Warrants and the Equity Shares arising on conversion thereof shall be subject to the applicable provisions of the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws.

14. Lock-in Requirements

The Convertible Equity Warrants proposed to be allotted and the Equity Shares to be allotted upon exercise thereof shall be subject to the applicable lock-in requirements prescribed under Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws.

15. Certificate of Practising Company Secretary

A certificate from M/s. Mehta & Mehta, Company Secretaries, Practicing Company Secretaries,



certifying that the proposed Preferential Issue is being made in accordance with the requirements of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 shall be available for inspection by the Members during business hours at the Registered Office of the Company and shall also be made available electronically for inspection by the Members during the Annual General Meeting.

16. Valuation and Pricing

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and are frequently traded in accordance with the provisions of the SEBI ICDR Regulations. Accordingly, the issue price of ₹3.77 (Rupees Three and Paise Seventy Seven Only) per Convertible Equity Warrant has been determined in accordance with Regulation 164 of the SEBI ICDR Regulations.

Since the Equity Shares of the Company are frequently traded, a valuation report from an Independent Registered Valuer is not required under the applicable provisions of the SEBI ICDR Regulations.

17. Nature of Consideration

The Convertible Equity Warrants are proposed to be issued for consideration other than cash. The consideration for subscription to the Convertible Equity Warrants shall be discharged by way of conversion/adjustment of the outstanding unsecured loans aggregating to ₹40,11,69,768.24 (Rupees Forty Crore Eleven Lakh Sixty-Nine Thousand Seven Hundred Sixty-Eight and Paise Twenty-Four Only) advanced by the Proposed Allottees to the Company.

The Audit Committee has considered the proposed transaction and the Board is of the opinion that the conversion of the outstanding unsecured loans into Convertible Equity Warrants is in the best interests of the Company as it would strengthen the capital structure, reduce debt obligations and improve the debt-equity ratio.

18. Undertakings

The Company hereby undertakes that:

- a. It shall re-compute the price of the specified securities in terms of the provisions of the SEBI ICDR Regulations where it is required to do so.
- b. If the amount payable on account of the re-computation of price is not paid within the time stipulated under the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the Proposed Allottees.
- c. The Company is eligible to make the Preferential Issue in terms of Chapter V of the SEBI ICDR Regulations.

19. Neither the Company nor its Promoters are Wilful Defaulters

Neither the Company nor any of its Promoters or Directors has been declared as a wilful defaulter or fraudulent borrower by any bank, financial institution or consortium thereof in accordance with the guidelines issued by the Reserve Bank of India.

Further, none of the Promoters or Directors of the Company is a fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.



20. Other Disclosures

The Proposed Allottees have not sold or transferred any Equity Shares of the Company during the 90 trading days preceding the Relevant Date except in compliance with the provisions of the SEBI ICDR Regulations.

The Company has complied with the conditions for continuous listing under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is in compliance with the applicable provisions of the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws relating to the proposed Preferential Issue.

The Company has obtained the in-principle approvals, or shall obtain the same, from BSE Limited and National Stock Exchange of India Limited for the proposed allotment.

The Equity Shares arising on conversion of the Convertible Equity Warrants shall rank pari passu with the existing Equity Shares of the Company in all respects including dividend.

21. Interest of Directors, Key Managerial Personnel and their Relatives

Except Mr. S. S. Ganesh and Mr. Abhijith Ganesh Shamanur, being the Proposed Allottees and members of the Promoter Group of the Company, and their respective relatives to the extent of their shareholding and interest, none of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the resolution set forth in Item 8 of the notice for approval of the members as a Special Resolution.

Item No. 9: TO CONSIDER AND APPROVE THE MATERIAL RELATED PARTY TRANSACTION(S)

Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, all Material Related Party Transactions and subsequent material modifications thereto require prior approval of the Members of the Company by way of an Ordinary Resolution, unless otherwise exempt under the applicable provisions of the SEBI LODR Regulations.

Further, Regulation 2(1)(zc) of the SEBI LODR Regulations defines a "Related Party Transaction" to include a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged.

Pursuant to the amendments to the SEBI LODR Regulations effective from December 19, 2025, a transaction with a related party shall be regarded as material if the transaction(s), whether entered into individually or taken together with previous transactions during a financial year, exceed the prescribed materiality thresholds under Regulation 23.

The Company proposes to enter into one or more transaction(s) with Aurevant Global Ltd.



("AUREVANT"), a Wholly Owned Subsidiary of the Company and a related party under the provisions of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI LODR Regulations, in connection with the proposed Bridge Financing Facility of up to USD 100 Million (United States Dollars One Hundred Million Only) or its equivalent in Indian Rupees, to be availed by AUREVANT in one or more tranches from banks, financial institutions and/or other lenders.

The proposed transaction(s), inter alia, include:

- issuance of corporate guarantee(s) by the Company;
- creation of security by way of pledge over the shares held by the Company in AUREVANT;
- pledge/assignment of receivables arising from inter-corporate loans advanced or proposed to be advanced by the Company to AUREVANT or its subsidiaries/step-down subsidiaries;
- creation of charge, mortgage or other encumbrance by AUREVANT over its assets;
- disposal of pledged shares or secured assets upon enforcement or invocation of the security interest;
- payment of guarantee commission by AUREVANT to the Company; and
- execution of all related agreements, deeds, security documents and other ancillary documents necessary for giving effect to the Bridge Financing Facility.

The Bridge Financing Facility is proposed to be utilized by AUREVANT for acquisition opportunities, capital expenditure, strategic investments, refinancing, working capital requirements and other permitted business purposes, in accordance with the financing documents.

The Audit Committee of the Company has reviewed the details of the proposed Material Related Party Transaction(s), including the information prescribed under Regulation 23 of the SEBI LODR Regulations, the applicable SEBI Circulars and the Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions", and has recommended the same to the Board of Directors. The Board, after considering the recommendation of the Audit Committee, is of the opinion that the proposed transaction(s) are in the ordinary course of business, on an arm's length basis and are in the commercial and strategic interest of the Company.

Accordingly, approval of the Members is sought by way of an Ordinary Resolution to authorize the Board of Directors to enter into the proposed Material Related Party Transaction(s), the aggregate outstanding value of which shall remain within the limits specified in the proposed resolution and the Annexure forming part of this Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except to the extent of their shareholding, if any, in the Company, is concerned or interested, financially or otherwise, in the proposed Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 9 of the accompanying Notice for approval by the Members.

Information required to be disclosed in the Explanatory Statement for Item No. 9 pursuant to SEBI

Circular No. SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 on RPT Industry Standards read with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, are as follows:

Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party	Aurevant Global LTD
2.	Country of incorporation of the related party	United Kingdom
3.	Nature of business of the related party	Production of ethanol and sugar products in London, United Kingdom.

Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	Aurevant Global Limited incorporated in London, United Kingdom, is an Wholly Owned Subsidiary (WOS) of Davangere Sugar Company Limited.
	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	The Company holds 100% of the equity share capital of Aurevant Global Limited directly.
	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Not Applicable, since the related party is a body corporate having share capital.
	Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Nil. Aurevant Global Limited does not hold any shares, directly or indirectly, in Davangere Sugar Company Limited.

Details of previous transactions with the related party

S. No.	Particulars of the information	Information provided by the management						
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.							
	<table> <tr> <th>Sr. No.</th><th>Nature of Transactions</th><th>FY 2025-2026 (INR)</th></tr> <tr> <td></td><td>NA</td><td></td></tr> </table>	Sr. No.	Nature of Transactions	FY 2025-2026 (INR)		NA		
Sr. No.	Nature of Transactions	FY 2025-2026 (INR)						
	NA							
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	NA						
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	NA						

Amount of the proposed transaction(s)

S. No.	Particulars of the information	Information provided by the management
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	Subscription to Equity shares of Aurevant to the extent of US 79.995 Millions.
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	NA
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	NA
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	NA

6.	Financial performance of the related party for the immediately preceding financial year:	
	Particulars	FY 2025-2026 (INR) (In Rs. Lakhs)
	Turnover	23,877.30
	Profit After Tax	740.60
	Net worth	50,481.35

Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	Subscription to Equity Shares of Aurevant to the extent of US\$9.995 Millions.
2.	Details of each type of the proposed transaction	Subscription to Equity
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	Equity has no tenure
4.	Whether omnibus approval is being sought?	yes
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	NA
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Overseas expansion
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. <i>Explanation:</i> Indirect interest shall mean interest held through any person over which an individual has control.	NA
	a. Name of the director / KMP	NA
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	NA
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Valuation report is placed
9.	Other information relevant for decision making.	No

PART B

Disclosure only in case of transactions relating to loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary

S. No.	Particulars of the information	Information provided by the management
1.	Source of funds in connection with the proposed transaction. <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/housing finance companies.</i>	Subscription amount received from issue of FCCB
2.	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following: <i>Note: This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i>	
	a. Nature of indebtedness	FCCB
	b. Total cost of borrowing	2% p.a. coupon rate
	c. Tenure	5 years but convertible to Equity
	d. Other details	FCCB will be converted to Equity
3.	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers/ other lenders. <i>Note:</i> <i>(1) This item of disclosure is not applicable to listed banks/ NBFCs/insurance companies/ housing finance companies.</i> <i>(2) Disclosure shall be made of borrowings undertaken by the listed entity with a comparable maturity profile to the loan/ICD being granted by the listed entity.</i>	11% p.a.
4.	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.	No interest is charged from related parties
5.	Maturity / due date	NA
6.	Repayment schedule & terms	NA
7.	Whether secured or unsecured?	NA
8.	If secured, the nature of security & security coverage ratio	NA
9.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.	Overseas expansion of business

The Board recommends the resolution set forth in Item 9 of the notice for approval of the members as a Ordinary Resolution.



Item No. 10

AUREVANT GLOBAL LTD ("Subsidiary") is a material unlisted subsidiary of the Company within the meaning of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

Pursuant to **Regulation 24(5) of the SEBI LODR Regulations**, a listed entity shall not reduce its shareholding (either on its own or together with other subsidiaries) in its material subsidiary to less than 50% or cease the exercise of control over the subsidiary without passing a **Special Resolution** in its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly sanctioned by a Court/NCLT.

Since the proposed transaction will result in the dilution of the Company's holding/control in **AUREVANT GLOBAL LTD** below the statutory threshold of 50%, approval of the shareholders by way of a Special Resolution is required.

None of the Directors, Key Managerial Personnel (KMP) of the Company, or their relatives are interested or concerned, financially or otherwise, in the proposed resolution, except to the extent of their directorships and shareholding in the Company and/or the Material Subsidiary.

The Board of Directors recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

**By the Order of Board
For Davangere Sugar Company Limited**

Sd/-

**Shamanur S. Ganesh
Managing Director
DIN: 00451383**

**Date: 14 August 2026
Place: Davangere**

Details of Director seeking appointment/reappointment of Director
(In pursuance of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015 and Secretarial Standard 2, issued by the Institute of Company Secretaries of
India

Name of the Director	Abhijith Ganesh Shamanur
Age	38
DIN	03451918
Date of first appointment	09/06/2011
Qualification	Graduated from Northeastern University, Boston, U.S.A., and has also completed his Masters in Technology Entrepreneurship from University College London, London, U.K.
Expertise	He is a qualified Industrial Engineer, Graduated from Northeastern University, Boston, U.S.A., and has also completed his master's in technology Entrepreneurship from University College London, London, U.K. The Executive Director of the company is instrumental in introducing a high yield new variety of sugarcane VCF 0517 in the command area of the factory which is yielding about 70 MTs to 90 MTs of sugarcane per acre. It is bringing more profit to the farmers and proved to be commercial viable to farmers compared to other agricultural crops. The farmers are happy to cultivate this new variety of sugarcane and company is expanding its sugarcane belt in the command area. His efforts are having far reaching impact on making the company self-sufficient in respect of raw material for sugar production.
Other Directorships	2
Listed companies	NIL
Details of Sitting fees sought to be paid	NIL
Shareholding in Davangere Sugar Company Limited	6,91,47,240 Equity shares.
Relationship with Directors / KMP inter-se	Abhijith Ganesh Shamanur is son of Mr. S S. Ganesh, Managing Director and husband of Mrs. Swathi Shamanur Non –Executive Director of the company.
Terms and conditions of appointment	Executive Director, retire by rotation
Recommendation of the Board	Board Resolution dated 08 th September 2025 (Non-executive to Executive Director



Form No. MGT-11

Davangere Sugar Company Limited

CIN L10721KA1970PLC001949

Registered Office: 73/1, Post Box No.312, Shamanur Road, Davangere KA 577004 IN

E-mail: cs@davangeresugars.com Website: www.davangeresugar.com**Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

55th Annual General Meeting – 12th September 2026

Name of the Member(s)..... E-mail id:

Registered address Folio no. / * DP ID & *Client ID

* Applicable for Investors holding shares in electronic form.

I/ We being the Member(s) of..... shares of the above named Company, hereby appoint:

1.....of.....having e-mail id:.....or failing him/her
 2.....of.....having e-mail id:.....or failing him/her
 3.....of.....having e-mail id:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 55th Annual General Meeting of the Company, to be held on Saturday, 12th September 2026 at 11.00 a.m. at Thogataveera Samudhaya Bhavana, M.C.C. 'a' block, Davangere – 577 004, and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	Resolution	Vote (Optional – See Note 2)		
		For	Against	Abstain
ORDINARY BUSINESS				
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2026, together with the Reports of the Board of Directors and Auditors thereon.			
2	To appoint Mr. Abhijith Ganesh Shamanur (DIN: 03451918), who retires by rotation in terms of Section			



No.	Resolution	Vote (Optional – See Note 2)		
	152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.			
3	To appoint M/s. D G M S & Co., Chartered Accountants (Firm Registration No. 0112187W), as Statutory Auditors of the Company for a term of five consecutive years and to authorise the Board of Directors to fix their remuneration.			
SPECIAL BUSINESS				
4	Ratification of remuneration of Mr. M. R. Krishna Murthy, Cost Auditor, for the financial year 2027-28.			
5	Increase in the Authorised Share Capital of the Company and alteration of Clause V of the Memorandum of Association.			
6	To approve making loans or investments, providing guarantees and/or securities in excess of the limits prescribed under Section 186 of the Companies Act, 2013.			
7	Approval for making investments in overseas wholly owned subsidiaries, subsidiaries, step-down subsidiaries, joint ventures and other overseas entities up to USD 100 Million (or its equivalent).			
8	Issue of 10,64,11,079 Convertible Equity Warrants on a preferential basis to the Promoter Group by way of conversion/adjustment of outstanding loan into equity, together with matters incidental thereto.			
9	Approval of Material Related Party Transaction(s) with Aurevant Global Limited and related arrangements in connection with the proposed bridge financing facility.			
10	Approval for transactions involving dilution of shareholding and/or disposal/transfer of assets of the overseas wholly-owned subsidiary, Aurevant Global Limited.			



Signed this.....day of 2026

Signature of the Member / Signature of the Proxy holder(s)

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.
3. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.



Davangere Sugar Company Limited

CIN: L10721KA1970PLC001949

Registered Office: 73/1, Post Box No.312, Shamanur Road, Davangere Karnataka 577004 IN

E-mail: cs@davangeresugars.com Website: www.davangeresugar.com

Attendance Slip

55th Annual General Meeting – 12th September 2026

Folio no./ DP ID & Client ID:

No. of Shares:

*Name of the Member/ Proxy holder:
(in BLOCK letters)

I certify that I am a Member / Proxy holder for the Member of the Company.

I hereby record my presence at the 55th Annual General Meeting of the Company, held on Saturday, 12th September 2026 at 11.00 a.m. at Thogataveera Samudhaya Bhavana, M.C.C. 'a' block, Davangere – 577 004

.....

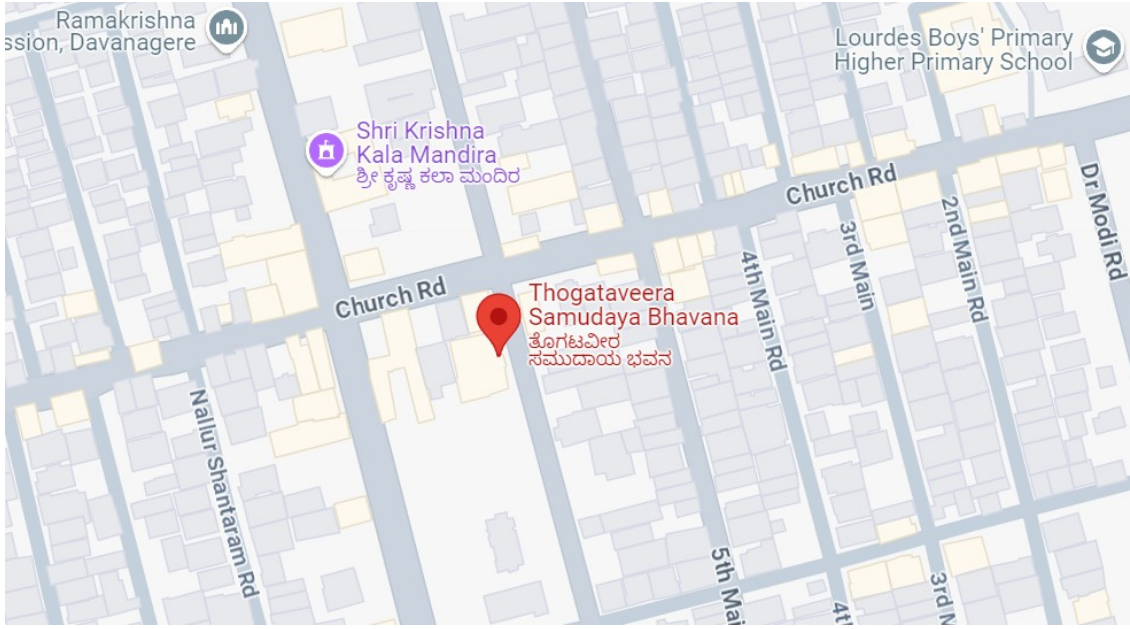
Signature of the Member/Proxy holder

* Strike out whichever is not applicable.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM

Route Map

Thogataveera Samudhaya Bhavana, M.C.C. 'a' block, Davangere – 577 004





Davangere Sugar Company Limited('DSCL')

Determination of the minimum price of the Equity Shares of DSCL for the proposed preferential issue of Convertible Share Warrants to the promoter in accordance with section 62(1)(c) of the Companies Act, 2013 read with Regulations 164 and 166A of the SEBI (ICDR) Regulations, 2018.

Prepared by

Akshat Jain

**Registered Valuer - Securities / Financial Assets
Chartered Accountant**

B - 801, Sunteck City Avenue-1, Oshiwara District Centre,
Goregaon West, Mumbai - 400 062

apjassociates@outlook.com
+91 98926 47408



August 14, 2026

To,

The Board of Directors,

Davangere Sugar Company Limited

73/1, Post Box No.312, Davangere,

Shamanur Road, Karnataka, 577004

Subject: Determination of the minimum price of the Equity Shares of Davangere Sugar Company Limited for the proposed preferential issue of Convertible Share Warrants to the promoter in accordance with section 62(1)(c) of the Companies Act, 2013 read with Regulations 164 and 166A of the SEBI (ICDR) Regulations, 2018.

Pursuant to the appointment letter dated August 11, 2026 and discussions undertaken with Davangere Sugar Company Limited (hereinafter referred to as '**the Company**' or '**DSCL**' or '**the Client**'), the Management of the Company (hereinafter referred to as '**the Management**') has appointed Akshat Jain, Registered Valuer for Securities / Financial Assets and Chartered Accountant (hereinafter referred to as '**we**' or '**us**' or '**the valuer**') to determine the minimum price of the Equity Shares of the Company as at August 14, 2026 ('**Relevant Date**') for the proposed preferential issue of Convertible Share Warrants to the promoter, the subscription monies whereof are proposed to be adjusted and appropriated against an outstanding unsecured loan due by the Company to the promoter, in accordance with sections 42 and 62(1)(c) of the Companies Act, 2013 read with Chapter V of the SEBI (ICDR) Regulations, 2018 (hereinafter referred to as the '**Proposed Transaction**'). For this exercise, we have relied upon the quoted market price and the volume weighted average price of the Equity Shares of the Company on BSE Limited and the National Stock Exchange of India Limited as on the Relevant Date, determined in accordance with Regulation 164 of the SEBI (ICDR) Regulations, 2018, together with publicly available information and the information, documents and representations furnished to us by the Management of DSCL. Accordingly, we have determined (i) the floor price under Regulation 164(1) and (ii) the fair value of the Equity Shares under Regulation 166A, the minimum price at which the Convertible Share Warrants may be issued to the promoter being the higher of the two. As the determination is anchored on market determined prices, we have not undertaken any independent verification of the information furnished by the Management, which, to the extent relied upon, has been assumed to be true and correct. This report must be read in totality. Please find enclosed the report detailing our recommendation of the minimum price, the methodology employed and the assumptions used in our analysis.

 Digitally signed
by AKSHAT JAIN
Date:
2026.08.14
18:44:47 +05'30'

Akshat Jain

Registered Valuer - Securities / Financial Assets

IBBI Registration Number: IBBI/RV/06/2022/15048

ICAI Membership No: 178972

UDIN: 26178972MRBKRX5439

Place: Mumbai

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Background of the Company

Davangere Sugar Company Limited (CIN L10721KA1970PLC001949) was incorporated on September 28, 1970 under the Companies Act, 1956 (now governed by the Companies Act, 2013). The Company is a public limited company whose Equity Shares are listed on BSE Limited (Scrip Code: 543267) and the National Stock Exchange of India Limited (Symbol: DAVANGERE). Its registered office is situated at 73/1, Post Box No. 312, Shamanur Road, Davangere, Karnataka – 577004.

The Company is engaged in the manufacture of sugar, ethanol and the co-generation of power. As on the date of the balance sheet last available (March 31, 2025), the authorised share capital of the Company was Rs. 200,00,00,000 and the paid-up equity share capital was Rs. 142,99,90,798, comprising equity shares of face value Rs. 1 each.

Purpose of the Valuation and appointing authority

As per the engagement letter dated August 11, 2026, the Management proposes to issue Convertible Share Warrants to the promoter of the Company on a preferential basis, the subscription monies payable in respect thereof being proposed to be adjusted and appropriated against an outstanding unsecured loan of Rs. 40,11,69,768.24 due by the Company to the promoter, in accordance with sections 42 and 62(1)(c) of the Companies Act, 2013 read with Chapter V of the SEBI (ICDR) Regulations, 2018.

In connection with the Proposed Transaction, the Management has appointed Akshat Jain, Registered Valuer for Securities / Financial Assets and Chartered Accountant, to determine the minimum price at which the said Convertible Share Warrants (and the Equity Shares of Rs. 1 each to be allotted on their exercise) may be issued to the promoter. The scope of our service is to determine such minimum price in accordance with the pricing framework prescribed under Regulations 164 and 166A of the SEBI (ICDR) Regulations, 2018 and, to the extent applicable, in accordance with the ICAI Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. It is to be read in totality and in conjunction with the relevant documents referred to herein.

The Proposed Transaction

The salient terms of the Proposed Transaction, as represented by the Management, are set out below (to be confirmed against the final terms approved by the Board and the members):

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Particulars	Details
Instrument	Convertible Share Warrants, each convertible into one Equity Share of face value Rs. 1
Allottee	Promoter / Promoter Group of the Company
Consideration	Subscription monies payable in cash, to be adjusted and appropriated against the outstanding unsecured loan due to the allottee.
Amount of the unsecured loan proposed to be appropriated	Rs. 40,11,69,768.24
Enabling provision	Sections 42 and 62(1)(c) of the Companies Act, 2013 (special resolution) read with Chapter V of the SEBI (ICDR) Regulations, 2018
Relevant Date	30 days prior to the date of the general meeting = August 14, 2026
Number of Warrants	10,64,11,079
Issue price per Warrant	Rs. 3.77
Aggregate issue price of the Warrants	Rs. 40,11,69,767.83
Allotment as a % of post-issue fully diluted share capital	6.93%
Whether issue results in change in control	No
Consideration payable on allotment	At least 25% of the issue price, to be appropriated against the said loan on allotment (Regulation 169)
Exercise / conversion period	Within 18 months from the date of allotment of the warrants (Regulation 162(1))

Declaration of independence

We are a registered valuer for the asset class “Securities or Financial Assets”, registered with the Insolvency and Bankruptcy Board of India under the Companies (Registered Valuers and Valuation) Rules, 2017, bearing registration number IBBI/RV/06/2022/15048. We declare that:

- we are independent of the Company, of the proposed allottee and of the promoter and promoter group of the Company, and are not related to any of them within the meaning of section 2(76) of the Companies Act, 2013;

- neither we nor any of our relatives holds, or has at any time during the three years preceding the date of this report held, any security of or interest in the Company or the proposed allottee, and neither we nor any of our relatives is indebted to, or has given any guarantee or provided any security in connection with any indebtedness of, the Company or the proposed allottee;
- we have not been an employee, director, partner or promoter of the Company or of the proposed allottee, and have rendered no service to the Company or the proposed allottee during the three years preceding the date of this report other than the present engagement;
- our fee for this engagement is a fixed fee agreed before the commencement of the engagement, is not contingent upon the value reported, the conclusions reached or the completion of the Proposed Transaction, and no part of it is payable by the proposed allottee; and
- we have no present or prospective interest in the Company, in the proposed allottee or in the Equity Shares which are the subject of this report, and no personal interest with respect to the parties involved.

Accordingly, we confirm that we are an independent registered valuer for the purposes of Regulation 166A of the SEBI (ICDR) Regulations, 2018 and that there is no conflict of interest in our carrying out this valuation.

Nature and sources of the information

We have relied upon the following information, representations and explanations relating to the Company, as provided to us by the Management or as available in the public domain, for the purpose of this assignment:

- Brief background and the shareholding pattern of the Company as on the Relevant Date;
- Trading data (quoted price and volumes) of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited for the 240 trading days and the 90 and 10 trading days preceding the Relevant Date;
- The terms of the proposed issue of Convertible Share Warrants and of the unsecured promoter loan proposed to be converted;
- Draft notice of the general meeting / explanatory statement in respect of the Proposed Transaction, where available;
- Management representation letter dated August 14, 2026; and
- Such other information and documents considered relevant for the purpose of this engagement.

Some clarifications were provided by the Management verbally, without further written confirmation. We have assumed that such information and clarifications are reliable, accurate and complete in all material respects.

Regulatory Framework and basis of pricing

The Equity Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited. The issue of specified securities on a preferential basis is accordingly governed by sections 42 and 62(1)(c) of the Companies Act, 2013 read with Chapter V of the SEBI (ICDR) Regulations, 2018. The provisions relevant to the pricing of the Proposed Transaction are set out below:

- **Section 62(1)(c) read with section 42 of the Companies Act, 2013:** specified securities may be offered to a select person or group of persons on a preferential basis pursuant to a special resolution of the members and, in the case of a listed issuer, at a price determined in accordance with the SEBI (ICDR) Regulations, 2018.
- **Regulation 164(5):** shares are "frequently traded" where the traded turnover on any recognised stock exchange during the 240 trading days preceding the Relevant Date is at least ten per cent of the total number of equity shares of that class. Where the number of equity shares of that class was not identical throughout that period, the weighted average number of shares is taken as the total number of shares.
- **Regulation 164(1):** where the Equity Shares are frequently traded, the price at which they are to be allotted shall not be less than the higher of (i) the volume weighted average price of the Equity Shares quoted on the stock exchange during the 90 trading days preceding the Relevant Date, and (ii) the volume weighted average price during the 10 trading days preceding the Relevant Date. Under the first proviso, where the Articles of Association of the issuer prescribe a method of determination resulting in a higher floor price, that higher price is the floor price.
- **Explanation to Regulation 164:** "volume weighted average price" means the product of the number of equity shares traded on a stock exchange and the price of each equity share, divided by the total number of equity shares traded on that stock exchange; and where the equity shares are listed on more than one recognised stock exchange, "stock exchange" means the recognised stock exchange on which the highest trading volume in the equity shares of the issuer has been recorded during the 90 trading days preceding the Relevant Date.
- **Regulation 166A(1):** a preferential issue which may result in a change in control, or in the allotment of more than five per cent of the post-issue fully diluted share capital of the issuer to an allottee or to allottees acting in concert, requires a valuation report from an independent registered valuer, which is to be considered in determining the price. Under the proviso to that sub-regulation, the floor price in such a case is the higher of the floor price determined under Regulation 164 and the price determined in that valuation report. The proposed allotment to the proposed allottee represents 6.84 per cent of the post-issue fully diluted share capital of the Company, and Regulation 166A is accordingly attracted; the computation is set out in the section "Applicability of Regulation 166A" below. This report is the valuation report of the independent registered valuer contemplated by that regulation.
- **Regulation 167:** the specified securities allotted on a preferential basis to the promoter and promoter group, and the Equity Shares allotted on exercise of the options attached to Warrants so issued, are subject to lock-in for a period of eighteen months from the date of trading approval to the extent of twenty per cent of the total post-issue capital of the Company, and for six months from that date in respect of any allotment in excess of that limit. Under Regulation 167(6), the entire pre-preferential shareholding of the proposed allottee, if any, is locked in from the Relevant Date up to a period of ninety trading days from the date of trading approval.
- **Regulation 162(1):** the tenure of the Warrants shall not exceed eighteen months from the date of their allotment.
- **Regulation 169:** an amount equivalent to at least twenty-five per cent of the consideration is payable on the date of allotment of each Warrant, and the balance is payable at the time of allotment of the Equity Shares pursuant to exercise of the option attached to the Warrant. The price of the Equity Shares so allotted is determined in accordance with Regulation 164 as at the Relevant Date

Applicability of Regulation 166A

Regulation 166A(1) of the SEBI (ICDR) Regulations, 2018 is attracted where a preferential issue may result in a change in control of the issuer, or in the allotment of more than five per cent of the post-issue fully diluted share capital of the issuer to an allottee or to allottees acting in concert. The position in respect of the Proposed Transaction is as follows:

Particulars	Amount / Number
Unsecured loan due by the Company to the allottee, proposed to be appropriated (Rs.)	40,11,69,768.24
Issue price per Warrant (Rs.)	3.77
Number of Warrants proposed to be allotted	10,64,11,079
Existing paid-up Equity Shares of the Company	1,42,99,90,798
Equity Shares issuable on other outstanding convertible securities and options	Nil
Post-issue fully diluted share capital	1,53,64,01,877
Proposed allotment as a percentage of post-issue fully diluted share capital	6.93%

The proposed allottee is an existing member of the promoter group of the Company. The Management has confirmed that the Proposed Transaction will not result in any change in the management or control of the Company, and that there is no other allottee acting in concert with the proposed allottee whose allotment falls to be aggregated for the purposes of this test. Regulation 166A(1) is nonetheless attracted, by reason of the proposed allotment exceeding five per cent of the post-issue fully diluted share capital of the Company. The test is applied to the securities proposed to be allotted and not to the resultant shareholding of the proposed allottee.

Accordingly, the minimum price at which the Convertible Share Warrants may be issued is the higher of (i) the floor price determined under Regulation 164(1) and (ii) the fair value of the Equity Shares determined in this report.

Valuation Approach and Methodology

The Equity Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and are frequently traded within the meaning of Regulation 164(5) of the SEBI (ICDR) Regulations, 2018. The traded turnover in the Equity Shares on the National Stock Exchange of India Limited during the 240 trading days preceding the Relevant Date was 344.88 crore Equity Shares, being 241.2% of the Equity Shares of that class, and during the 90 trading days preceding the Relevant Date was 106.02 crore Equity Shares, being 74% of the Equity Shares of that class, in each case against the prescribed threshold of ten per cent.

Regulation 166A being attracted, this report determines both the floor price of the Equity Shares under Regulation 164(1) and the fair value of the Equity Shares as at the Relevant Date. The minimum price at which the Convertible Share Warrants may be issued is the higher of the two. Where the fair value so determined is lower than the floor price under Regulation 164(1), it has no pricing effect and the floor price governs; the fair value can operate only to raise the minimum price above the statutory floor.

Selection of Method

In terms of the ICAI Valuation Standards, 2018, the value of an asset may be determined under the market approach, the income approach or the cost approach. The valuer is required to select the approach or approaches most appropriate to the asset being valued, to the purpose of the valuation and to the availability of reliable information, and to disclose the reasons for that selection. Our selection is set out below.

A. Market approach – Market Price Method (adopted)

The Equity Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and are frequently traded within the meaning of Regulation 164(5) of the SEBI (ICDR) Regulations, 2018, the traded turnover over the 240 trading days preceding the Relevant Date being 2.4 times the entire issued share capital of the Company. The Equity Shares were traded on every trading day of the periods examined by us on both stock exchanges, and a substantial proportion of the Equity Shares is held by public shareholders.

In these circumstances the quoted price of an Equity Share is a price established in an active market by a large number of independent, informed and unrelated participants transacting at arm's length, and is in our view the most reliable available evidence of the value of an Equity Share. The same reasoning underlies the treatment, under Ind AS 113, Fair Value Measurement, of a quoted price in an active market for an identical asset as a Level 1 input and as the input of the highest priority in the fair value hierarchy. We have accordingly adopted the market price method, both for the determination of the floor price under Regulation 164(1) and for the determination of the fair value under Regulation 166A.

B. Market approach – Comparable Companies / Comparable Transaction Multiple methods (not adopted)

Listed companies engaged in the manufacture of sugar and ethanol and in the co-generation of power do exist, and multiples derived from them could in principle be applied to the Company. We have not adopted these methods, for three reasons. First, the companies that might be identified as comparable differ materially from the Company in scale, capital structure and degree of integration across the sugar, distillery and co-generation segments, and the adjustments required to render them comparable would call for a degree of judgement that would reduce rather than improve the reliability of the result. Second, earnings-based multiples are of limited utility in this industry, where profitability varies with the cane cycle, with statutorily administered cane prices and with the sugar and ethanol price regime, so that the earnings of any single period are not representative. Third, a multiple derived from the observed prices of comparable companies is a less direct measure of the value of the Company than the observed price of the Company's own Equity Shares, which is available in the present case.

C. Income approach – Discounted Cash Flow Method (not adopted)

The discounted cash flow method requires projections of cash flows over an explicit forecast period. The cash flows of the Company are materially dependent on variables that are administered rather than determined by the Company – among them the State Advised Price or Fair and Remunerative Price of sugarcane, the minimum selling price of sugar, the procurement price of ethanol notified from time to time and the tariff

for co-generated power – and on cane availability and sugar recovery, which vary with the agricultural cycle. A value derived from projections of these variables would be sensitive to assumptions on which reasonable persons may legitimately differ, to an extent which in our view outweighs the advantages of the method for the present purpose, particularly where a directly observable market price for the Equity Shares of the Company itself is available. We have accordingly not adopted the discounted cash flow method.

D. Cost approach – Net Asset Value Method (not adopted)

The Company is a going concern engaged in the manufacture of sugar and ethanol and in the co-generation of power, and the value of its Equity Shares derives from the operation of its assets as an integrated business rather than from those assets taken severally. The book value of the net assets reflects historical cost less depreciation and does not purport to measure the value of the business. A valuation of the net assets on a replacement cost or realisable value basis would require the underlying land, buildings, plant and machinery to be valued by a registered valuer registered for those asset classes, which is outside the scope of our registration and of our engagement. In our view such an exercise is in any event not called for where the Equity Shares are frequently traded and a market price is directly observable. We have accordingly not adopted the net asset value method.

Determination of the fair value under Regulation 166A

Having adopted the market price method, we have determined the fair value of an Equity Share by reference to the prices at which the Equity Shares have traded on the National Stock Exchange of India Limited, being the recognised stock exchange on which the highest trading volume in the Equity Shares was recorded during the 90 trading days preceding the Relevant Date. Each volume weighted average price set out below has been computed as the aggregate traded value for the period divided by the aggregate number of Equity Shares traded in that period.

Particulars	Rs. per share
Closing price on the last trading day preceding the Relevant Date (August 13, 2026)	2.98
VWAP for the 10 trading days preceding the Relevant Date	3.1037
VWAP for the 90 trading days preceding the Relevant Date	3.7663
VWAP for the 26 weeks preceding the Relevant Date	3.8664
VWAP for the 52 weeks preceding the Relevant Date	4.0459
Highest and lowest traded price during the 52 weeks preceding the Relevant Date	5.50 / 2.95
Fair value of an Equity Share as at the Relevant Date	3.77

Fair value as at a date is the price which the market places upon the Equity Share as at that date. The Equity Shares are traded to a degree which is unusual even among frequently traded shares, the traded turnover over the 240 trading days preceding the Relevant Date being 2.4 times the entire issued share capital of the

Company. In a market of that depth the currently observed price is in our view the best evidence of value, and an average taken over a longer period measures the assessment which the market made of the Equity Shares in the past rather than the assessment it makes as at the Relevant Date. The Equity Shares traded as high as Rs. 5.50 during the 52 weeks preceding the Relevant Date and have since been re-rated, the closing price on the last trading day preceding the Relevant Date being Rs. 2.95. The volume weighted average prices over the 26 weeks and the 52 weeks preceding the Relevant Date, being Rs. 3.8664 and Rs. 4.0459 respectively, stand approximately 20% and 23% above that closing price and do not, in our view, reflect the value of an Equity Share as at the Relevant Date. We have accordingly not adopted them.

We have instead had regard to the volume weighted average prices over the 90 trading days and the 10 trading days preceding the Relevant Date, being the periods which the SEBI (ICDR) Regulations, 2018 themselves treat as representative of the market value of a frequently traded share, and to the closing price on the last trading day preceding the Relevant Date. These indicate a value of between Rs. 3.29 and Rs. 3.82 per Equity Share. Having regard to the foregoing, and adopting the highest of the indications within that range, in our opinion the fair value of an Equity Share of the Company as at the Relevant Date, for the purposes of Regulation 166A of the SEBI (ICDR) Regulations, 2018, is **Rs. 3.77 per Equity Share**.

Control premium and discounts

Regulation 166A of the SEBI (ICDR) Regulations, 2018 contemplates that the valuation report will address the question of a control premium. We have considered the matter as follows.

The proposed allottee is an existing member of the promoter group of the Company. The Proposed Transaction does not result in the acquisition of control of the Company by any person not already exercising it, and the Management has confirmed that there will be no change in the management or control of the Company in consequence of the Proposed Transaction. What is determined in this report is the value of an Equity Share, and the Convertible Share Warrants proposed to be issued are not, whether by themselves or together with the pre-preferential shareholding of the proposed allottee, of a size that would confer control of the Company. Accordingly, no control premium has been applied in arriving at the value reported.

We have also not applied any discount for lack of marketability. The Equity Shares are listed on both stock exchanges and are frequently traded within the meaning of Regulation 164(5), and are therefore capable of being realised in an active market without the delay or cost which such a discount is intended to reflect. For the same reason, and because what has been determined is the price of an Equity Share proposed to be issued rather than the value of an identified block of shares, no discount for minority interest has been applied.

Determination of the minimum price

Based on the trading data of the Equity Shares on the Stock Exchanges for the periods preceding the Relevant Date, and on the fair value determined above, the floor price under Regulation 164(1) and the resulting minimum price have been determined as follows:

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Particulars	Rs. per share
VWAP for the 90 trading days preceding the Relevant Date (A)	3.7663
VWAP for the 10 trading days preceding the Relevant Date (B)	3.1037
Floor price under Regulation 164 – higher of (A) and (B) = (C)	3.77
Fair value under Regulation 166A = (D)	3.77
Minimum price – higher of (C) and (D)	3.77

Note: Where the Equity Shares are listed and traded on more than one stock exchange, the VWAP is computed on the exchange on which the highest trading volume is recorded during the 90 trading days preceding the Relevant Date, being the National Stock Exchange of India Limited. The minimum price so determined is a floor; the issue price fixed by the Company may be at or above it.

Recommendation

On the basis of, and subject to, the foregoing, in our opinion the minimum price at which each Convertible Share Warrant of the Company (and the Equity Share of Rs. 1 to be allotted on its exercise) may be issued to the promoter, as at the Relevant Date, is Rs. 3.77 per warrant / share, being the higher of the floor price of Rs. 3.77 determined under Regulation 164(1) of the SEBI (ICDR) Regulations, 2018 and the fair value of Rs. 3.77 determined under Regulation 166A of those Regulations.

At the said price, the appropriation of the unsecured promoter loan of Rs. 40,11,69,768.24 would result in the issue of 10,50,18,263 Convertible Share Warrants of an aggregate issue price of Rs. 40,11,69,767.83, entitling the promoter, on exercise within 18 months from the date of allotment and on payment of the balance consideration, to 10,64,11,079 Equity Shares of Rs. 1 each. An amount of Rs. 10,02,92,442, being 25% of the aggregate issue price, is payable on allotment of the Warrants and would be appropriated against the said loan at that stage, the balance being appropriated on exercise.

The actual issue price may be fixed by the Company at or above this minimum. The final transaction price and terms are matters for the Company and its members to determine, subject to the applicable provisions of the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018.

Restrictions on use of the Valuation Report

This report and the information contained in it are confidential and are intended for the use of the Board of Directors of the Company in connection with the Proposed Transaction. We understand that, in terms of the SEBI (ICDR) Regulations, 2018, this report is required to be hosted on the website of the Company and that a reference to it, together with a weblink, is required to be given in the explanatory statement to the notice convening the general meeting of the members of the Company at which the Proposed Transaction is to be considered. We further understand that the Client may be required to submit or share this report with the members of the Company, BSE Limited, the National Stock Exchange of India Limited, the Registrar of Companies and the Ministry of Corporate Affairs, the Securities and Exchange Board of India, and the proposed allottee and its advisors, in connection with the Proposed Transaction (together, the 'Permitted

Recipients'). We consent to such publication, submission and sharing solely for the purposes and in the manner aforesaid.

Such publication, submission or sharing does not constitute, and shall not be construed as, the acceptance by us of any duty, responsibility or liability to any person other than the Client, including any Permitted Recipient. Reference to, or possession of, this report by any person shall not be deemed an acceptance by the valuer of any responsibility or liability to any person other than the Client.

The determination of price of any security is inherently imprecise and is subject to uncertainties and contingencies, all of which are difficult to predict and beyond our control. The minimum price determined herein is referable only to the Relevant Date, and market prices — and hence the floor — will vary with prevailing market conditions.

Limitations and Disclosures

Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

- Our engagement is limited to the determination, as at the Relevant Date, of the floor price of the Equity Shares under Regulation 164(1) of the SEBI (ICDR) Regulations, 2018 and of the fair value of the Equity Shares for the purposes of Regulation 166A of those Regulations. We express no opinion, and this report is not to be read as expressing any opinion, upon: (i) the legal characterisation of the Proposed Transaction, including whether the subscription monies fall to be regarded as paid in cash or otherwise; (ii) the manner of discharge, adjustment, appropriation or set-off of the subscription monies against the unsecured loan due by the Company to the proposed allottee, or the existence, validity, enforceability or quantum of that loan or of any such set-off; (iii) the eligibility of the Company or of the proposed allottee to participate in the Proposed Transaction; (iv) the applicability of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the Proposed Transaction or to the exercise of the Warrants; or (v) compliance with any provision of the Companies Act, 2013 or of the SEBI (ICDR) Regulations, 2018 other than the pricing determination set out in this report. These are matters for the Company and its legal advisors and are addressed, to the extent required, in the certificate of the Practising Company Secretary obtained by the Company under Chapter V of the SEBI (ICDR) Regulations, 2018.
- We have been informed by the Management that the business activities of the Company have been carried out in the normal and ordinary course between Valuation Date and the Report Date and no material changes have occurred in the operations and financial position between Valuation Date and the Report Date.
- Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement and exercise of judicious discretion taking into account all relevant factors. There is, therefore, no indisputable single value. While we normally express our assessment as falling within a likely range, as per requirement of this Engagement, we are providing a single value. While we have provided our opinion on valuation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.

- An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, and other conditions in general and Industry trends in particular. It is based on information made available to us as of the date of this Report, events occurring after that date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- Our valuation is inter-alia based on the market, financial and other information provided by the Management. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, our valuation procedures do not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. Accordingly, we do not express an opinion or offer any form of assurance regarding the financial and other information provided by the Management. We have relied upon the Management to provide us with financial and other pertinent information that give a true and fair view of the financial performance and financial position of the Company and its underlying investments in various companies as on the Valuation Date and which may be reasonably expected to have an impact on valuation. The Management had indicated to us that they have understood that any omissions, inaccuracies, or misstatements in the information provided to us, it may materially affect our valuation analysis/ conclusion.
- While the information available in public domain and subscribed databases (including industry and statistical information) was obtained from sources we believe are reliable, we make no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification.
- The value achieved, in case of a transaction, may be different than our Valuation depending upon the circumstances and timing of the transaction, if any. The final transaction price is something on which the parties themselves have to agree. Our report (the "Report") and the opinion/ valuation analysis contained herein is not and should not be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.
- Our valuation is primarily from a business perspective and does not take into account various legal and other corporate structures beyond the limited information provided to us by the Management. The Valuation recommendation is not intended to represent the value at any time other than the date that is specifically stated in the Report.
- In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial, and operating data including information as detailed in the section – Sources of information by the Management.
- In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,
 - i. the accuracy of information made available to us by the Management, which formed a substantial basis for this report; and
 - ii. the accuracy of the information that was publicly available.

- The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited / unaudited balance sheet. We have made no investigation of and assume no responsibility for the title to assets or liabilities. Our conclusion of value assumes that the title to the assets and liabilities reflected in the financial statements as on the Valuation Date remain intact as on the date of this Report. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.
- Our services are not designed to and are not likely to reveal fraud or misrepresentation by the Management or by external parties. Accordingly, we cannot accept responsibility for detecting fraud or misrepresentation by the Management or any other person. While performing this assignment, we have assumed the genuineness of all signatures and the authenticity of all documents and/ or copies of documents shown to us. We have also relied upon the veracity of the representations made, and the information provided to us by/ on behalf of the Management. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the Client, their directors, employees, or agents. In no circumstances shall the liability of the valuer, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report will exceed the amount paid to us in respect of the fees charged by it for these services.
- We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management is accurate. Also, with respect to explanations and information sought from the advisors, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on these assumptions and information given by/on behalf of the Management.
- The Management of the Company has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Company and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Company. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that my inquiries could have verified any matter, which a more extensive examination might disclose.
- This Report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, the Report does not address the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This Report is restricted to the estimation of fair value of the Equity Shares of the Company.

- The Management has unequivocally affirmed that following the Valuation Date, there have been no substantial developments that would notably impact the valuation.
- Our Report can be used by the Client only for the purpose, as indicated in this Report, for which we have been appointed and cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible for the unauthorized use of this Report. We are not responsible to any other person for any decision of such person based on this Report. Any person intending to provide finance / invest / divest in the shares / business of the Company, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement specifically pronounced in the report to do so. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.
- The recipient of the valuation report has been provided with a fair opportunity to review the report before finalising and signing of this report. Although every effort has been made by us to verify and corroborate each document and to ensure that no inaccurate or misleading data, information, statement, or opinion appears in this document, we wish to make it clear that the information and data appearing herein are the responsibility of the Management. Accordingly, we do not accept any responsibility whatsoever for the consequences of any such inaccurate or misleading information or data, opinion, or statement.
- Our Valuation is carried out basis the understanding provided by the Management that no event has occurred/ nor is reasonably expected in near to medium term that may materially impact the ability of the Company to continue as a 'going concern.' Accordingly, as discussed with the Management, our Valuation is based on a "going concern" premise.
- This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account.
- The fee for the Engagement is not contingent upon the results reported. We owe responsibility to only the Management, who have appointed us, and nobody else.
- This value analysis report is subject to the laws of India.
- Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with relevant filings with the statutory authorities with respect to the Proposed Transaction, without our prior consent.



Board's Report

Dear Members

Your Directors' present the 55th Annual Report of the Company highlighting the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2026.

Results of our operations and State of Affairs

The highlights of the standalone financial results are as under:

Particulars	(In Lacs)	
	FY 2025-26	FY 2024-25
Total Income	24,109.89	21,675.60
Profit/(loss)before financial expenses, depreciation and amortization	5068.74	5375.15
Exceptional items		
Financial expenses	2699.57	2,819.35
Depreciation	1,270.25	1269.90
Profit/(loss)before provision for tax and exceptional items	1,098.92	1285.90
Exceptional Items–Income	-	-
Provision for taxation:		
-Current Tax	239.49	224.67
-Deferred Tax/(Income)	8.76	(32.48)
Net Profit/(Loss)	740.60	1083.11

Operating Highlights

The Company's financial performance for the year ended March 31, 2026, is summarized below:

The Company achieved total income of ₹ 24,109.89 Lacs for the year ended 31st March 2026 as against ₹ 21,675.60 Lacs for the previous year. The EBITDA for the year under review stood at ₹ 5068.74 Lacs as compared to ₹ 5375.15 Lacs for the previous year, while the Net Profit stood at ₹ 740.60 Lacs as compared to ₹ 1083.11 Lacs for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

Change in Business of the Company

There were no changes in the nature of business of the Company during the year under review.

Transfer to Reserves

During the year under review, for the Financial Year 2025-26, your Company does not propose transferring any amount to General Reserve.



Dividend

To retain the profits for future growth of the Company, Your Directors do not recommend any dividend for the year ending on 31st March, 2026.

Share Capital

A) AUTHORISED SHARE CAPITAL:

During the year under review, the Authorised Share Capital of the Company remained unchanged at ₹15,000 Lacs (Rupees Fifteen Thousand Lacs only), divided into 150,00,00,000 (One Hundred Fifty Crore) Equity Shares of ₹1/- each.

B) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL:

During the year under review, the Company increased its issued, subscribed and paid-up equity share capital pursuant to the allotment of 48,91,46,178 (Forty-Eight Crore Ninety-One Lakh Forty-Six Thousand One Hundred and Seventy-Eight) Equity Shares of face value ₹1/- (Rupee One only) each on a rights basis to the existing equity shareholders of the Company. The Rights Equity Shares were issued at a price of ₹3.05 per Equity Share (including a securities premium of ₹2.05 per Equity Share).

Consequent to the aforesaid allotment, the issued, subscribed and paid-up equity share capital of the Company increased from ₹94,08,44,620, comprising 94,08,44,620 Equity Shares of ₹1/- each, to ₹1,42,99,90,798, comprising 1,42,99,90,798 Equity Shares of ₹1/- each.

Accordingly, as on March 31, 2026, the issued, subscribed and paid-up share capital of the Company stood at ₹1,42,99,90,798 (Rupees One Hundred Forty-Two Crore Ninety-Nine Lakh Ninety Thousand Seven Hundred Ninety-Eight only), divided into 1,42,99,90,798 Equity Shares of ₹1/- each.

C) ISSUE OF BONUS SHARES:

During the year under review, there was no Bonus issue of equity shares.

D) BUY BACK OF SECURITIES:

The Company has not bought back any of its securities during the year under review.

E) ISSUE OF SHARES WITH DIFFERENTIAL VOTING RIGHTS, SWEAT EQUITY SHARES AND EMPLOYEES STOCK OPTIONS:

During the financial year under review the company has not issued any shares with differential voting rights nor granted stock option, nor Sweat Equity.

F) PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES: N.A.



G) RIGHT ISSUE OF SHARES

In the Financial Year 2025-26, the Board of Directors of Davangere Sugar Company Limited considered and approved the allotment of 48,91,46,178 Fully Paid-up Rights Equity Shares of Face Value of Rs.1/- each at an issue of Rs. 3.05/- per Rights Equity Share (including a premium) of Rs. 2.05/- per Rights Equity Shares.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant, material orders passed by the regulators or Courts or Tribunals, which would impact the going concern status of the company and its future operations.

Subsidiaries, Joint Ventures or Associate Companies

The company does not have any subsidiaries, joint ventures or Associate Company.

Accounts, Auditors and Audit Report

Statutory Auditor

M/s. DGMS & Co., Chartered Accountants (Firm Registration No. 112187W), were appointed as the Statutory Auditors of the Company at the 50th Annual General Meeting (AGM) held on 29th September, 2021, to hold office for a term of five consecutive years, from the conclusion of the 50th AGM until the conclusion of the 55th AGM.

The term of office of the Statutory Auditors expires at the ensuing AGM, and being eligible, they have offered themselves for re-appointment for a further term of five consecutive years. The Company has received their written consent and a certificate confirming that their re-appointment, if made, would be in accordance with the provisions of Sections 139 and 141 of the Companies Act, 2013, and that they are not disqualified from being re-appointed as the Statutory Auditors of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors recommends the re-appointment of M/s. DGMS & Co., Chartered Accountants (Firm Registration No. 112187W), as the Statutory Auditors of the Company for a further term of five consecutive years, to hold office from the conclusion of the ensuing 55th Annual General Meeting until the conclusion of the 60th Annual General Meeting, subject to the approval of the Members at the ensuing AGM.

Accounts:

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no qualifications or observations made by the Statutory Auditor in the said report. During, FY 2025-26, the Statutory Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) of the Act.

Auditors' Report:

The Audit Reports dated 29th May, 2026 issued by M/s. DGMS & Co, Chartered Accountants, and Statutory Auditors on the company's standalone financial statements for the financial year ended 2025-26 is a part of Annual Report.



Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members at the 54th Annual General Meeting approved the appointment of M/s. CS. Prashanth D. Shedbal, Practicing Company Secretaries (Membership No. F8759, COP No. 13983), as the Secretarial Auditors of the Company for a term of five consecutive financial years, commencing from FY 2025-26 to FY 2029-30, to conduct the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2026 is annexed to this Report as Annexure I. The Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Secretarial Auditor did not report any matter under Section 143(12) of the Companies Act, 2013.

Cost Auditors and Cost Records

Pursuant to the provisions of Section 148 of Companies Act, 2013 and rules made thereunder, The Board of Directors, on the recommendation of the Audit Committee, has appointed Mr. Krishna Murthy, Bangalore, Cost Accountants (Firm Regn. No. FCMA7658) as the Cost Auditor to audit the cost records for the financial year ending 31st March 2026 Remuneration payable to the Cost Auditor is subject to approval by the members of the Company. Accordingly, a resolution seeking members' approval for the remuneration payable to Mr. Krishna Murthy Cost Accountants, forms part of Notice convening 55th AGM of the Company, along with relevant details of the proposed remuneration.

The Cost Accountants have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and free from any disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. In terms of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Act.

Disclosure as per the Companies (Accounts) Amendment Rules, 2018:

The company has made and maintained its Cost accounts and records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013, M/s. B. Gangadhara & Co., Chartered Accountants (Membership No. 024094), had been appointed as the Internal Auditors of the Company for a term commencing from FY 2025-26 to FY 2027-28.

During the year under review, Mr. B. Gangadhar unfortunately passed away on 30th November, 2025, resulting in a casual vacancy in the office of the Internal Auditor. Pursuant to the recommendation of the Audit Committee, the Board of Directors, at its meeting held on 10th February, 2026, appointed Mr. B. N. Rajendrababu, Chartered Accountant (Firm Registration No. 204552), as the Internal Auditor of the Company to fill the casual vacancy for the remainder of the term, i.e., from the third quarter of FY 2025-26 up to FY 2027-28.



The Internal Auditor reviews the adequacy and effectiveness of the Company's internal control systems, risk management framework and operating procedures. The Internal Audit Reports and quarterly audit observations are placed before and reviewed by the Audit Committee during the year.

Details of Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Sri. Abhijith Ganesh Shamanur (DIN: 03451918), Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment at the forthcoming Annual General Meeting. Brief Resume, Sri. Abhijith Ganesh Shamanur, Director is circulated to the members as part of this Annual report.

The Board of directors and KMP consists of:

Details of Board of directors

Sl. No.	Name of Directors	Designation	Relationship
1	Sri Shamanur Shivashankarappa Ganesh	Chairman cum Managing Director	-
2	Sri Abhijith Ganesh Shamanur	Executive Director	Son of M.D.
3	Mrs. Swathi Shamanur	Non-Executive Director	Daughter-in-law of MD
4	Ms. Hima Bindu Sagala	Independent Director	-
5	Sri Achal Kapoor	Independent Director	-
6	Ms. Vinita Dilip Modak	Independent Director	-

Changes in the Board of Directors during the Financial Year 2025-26

Mrs. Vinita Dilip Modak was appointed as an Additional Director (Non-Executive, Independent) with effect from 6th September, 2025 and was subsequently regularised as an Independent Director by the Members at the 54th Annual General Meeting held on 30th September, 2025.

Mrs. Hima Bindu Sagala was appointed as an Additional Director (Non-Executive, Independent) with effect from 6th September, 2025 and was subsequently regularised as an Independent Director by the Members at the 54th Annual General Meeting held on 30th September, 2025.

Mr. Achal Kapoor was appointed as an Additional Director (Non-Executive, Independent) with effect from 16th July, 2025 and was subsequently regularised as an Independent Director by the Members at the 54th Annual General Meeting held on 30th September, 2025.

Mr. Thappagondanahally Rajashekharappa ceased to be an Independent Director of the Company with effect from 16th June, 2025, upon completion of his tenure.



Mr. Abhijith Ganesh Shamanur was redesignated from Non-Executive Director to Executive Director with effect from 8th September, 2025.

Details of KMPs:

Sr. No.	Name of the KMPs	Number of Board Meetings attended Designation
1	Sri Shamanur Shivashankarappa Ganesh	Managing Director
2	Mr. Parameshwarappa Onkarappa	Chief Financial Officer (CFO)
3	Ms. Uma Singh*	Company Secretary and Compliance Officer

* **Ms. Uma Singh** ceased to hold office as the **Company Secretary and Compliance Officer** with effect from **15th May, 2026**, and **Mr. Vishwanath Patil** was appointed as the **Company Secretary and Compliance Officer** with effect from **18th May, 2026**.

Deposits

During the year under review, your Company has not accepted any deposits from public within the meaning of Sections 73 and 74 of the Companies Act, 2013 (the "Act") and the Companies (Acceptance of Deposits) Rules, 2014.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo Information as per the Companies Act, 2013 and the rules framed there under relating to conservation of energy, technology absorption, foreign exchange earnings and outgo forms part of this Report and is annexed hereto as **Annexure II**.

Disclosures/Reporting:

Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014, the Annual Return of the Company for FY 2025-26 is available on the website of the Company at <https://davangeresugar.com/financials/>.

Number of Meetings of Board

During the Financial Year 2025–26, thirteen (13) meetings of the Board of Directors were held on 14th May 2025, 13th June 2025, 16th June 2025, 16th July 2025, 25th July 2025, 14th August 2025, 5th September 2025, 8th September 2025, 15th September 2025, 27th September 2025, 13th November 2025, 10th February 2026, and 30th March 2026.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

(a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with no material departures;



(b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company as on 31st March, 2026 and of the profit of the Company for the year ended on that date;

(c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) that the Directors have prepared the annual accounts on a 'going concern' basis;

(e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Committees of the Board

The Board has currently four Committees namely - Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Nomination and Remuneration Committee.

The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI LODR Regulations, and are also reviewed by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in the subsequent paragraphs.

Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given, securities provided and investments made are provided in the notes to the financial statements. During the year under review, there were no loans, guarantee or investment requiring the Compliance of Section 186(3) of the Companies Act, 2013.

Performance Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board of Directors has undertaken an evaluation of its own performance, the performance of its Committees, and of all the individual Directors based on various parameters relating to roles, responsibilities, and obligations of the Board, effectiveness of its functioning, the contribution of Directors at meetings and the functioning of its Committees. The performance evaluation of the Chairman and Non-Independent Director was carried out by the Independent Directors in their separate meeting. The Board of Directors expressed their satisfaction with the evaluation process.

The meeting of Independent Directors of the Company was held on February 10, 2026, to discuss matters as per the provisions of Companies Act, 2013 and the Listing Regulations. The Board hereby confirms that the Company has received necessary declaration from each of the independent directors under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

The company has devised a policy naming (Nomination & Remuneration Policy) for performance evaluation of Independent Directors, Board, Committees and other individual directors which includes the criteria and process for the performance evaluation of the Executive/ Non-executive directors and



Committees and the Board as a whole. The policy is uploaded on the website of the company under Investor section at <https://davangeresugar.com/policies-and-codes/>

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management of the Company

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a Nomination and Remuneration policy namely "Nomination & Remuneration Policy" in line with the requirement of Section 178 of the Companies Act, 2013. The policy inter alia provides the procedure for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes, and independence of Directors.

Board Evaluation

Pursuant to the provisions of section 134(3)(p) the Companies Act, 2013, the Board of directors of the company is committed to get its performance evaluated in order to identify its strength and areas in which it may improve its functioning. In this regard, the Nomination and Remuneration Committee has established the process for evaluation of the performance of Directors, including the Independent Directors.

The company has devised a policy naming (Nomination & Remuneration Policy) for performance evaluation of Independent Directors, Board, Committees and other individual directors which includes the criteria and process for the performance evaluation of the Executive/ Non-executive directors and Committees and board as a whole. The policy is uploaded on the website of the company under Investor section at <https://davangeresugar.com/policies-and-codes/>.

During the year under review as per the policy for the performance evaluation, formal annual evaluation of the performance of the Directors, including independent directors, the board and its committees was made by the Nomination & Remuneration Committee in their respective meetings.

Contracts and Arrangements with Related Parties

All Contracts/arrangements entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. None of the transactions were material in terms of section 188 of the Companies Act, 2013. The details of transactions with related parties are given in notes to the financial statements. Details showing the disclosure of transactions with related parties as required under IND AS-24 and 2A of Schedule V of SEBI Listing Regulations are set out in the financial statements.

The Company's Policy on Related Party Transactions may be accessed on the Company's website at <https://davangeresugar.com/corporate-governance/>

Risk Management Policy

The Company has a Risk Management Policy to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.



Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as **Annexure III** to this Report.

Risk Management & Internal Financial Controls

The Company has adopted a Risk Management Policy which is reviewed on a periodic basis in order to recognize, assess and reduce exposure to risks wherever possible, identify steps to mitigate risks and to identify risk owners for all types of risks. The Company's Risk Management Policy is based on the philosophy of achieving substantial growth while mitigating and managing risks involved.

The Company's internal control systems with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its operations. Periodic audits and checks are conducted and the controls to prevent, detect and correct any irregularities in the operations have been laid down by the Company.

Application made or any proceeding pending under the insolvency and bankruptcy code:

As on the date of the Report no application is pending against the Company under Insolvency and Bankruptcy Code, 2016 and the Company did not file any application under IBC during the F.Y. 2025-26.

Details of difference between valuation amount on one time settlement and valuation while availing loan from banks and financial institutions:

During the year under review there has been no one-time settlement of loans taken from Banks and Financial Institution.

Corporate Social Responsibility

Every company having net worth of Rs. 500 Crore (Rupees Five Hundred Crore) or more, or turnover of Rs. 1,000 Crore (Rupees One Thousand Crore) or more or a net profit of Rs. 5 Crore (Rupees Five Crore) or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Company has met this criterion for the Financial Year 2025-26 year also similarly as previous Financial Year as the net profit of the company exceeds Rs. 5 Crore (Rupees Five Crore). Your Company is committed to Corporate Social Responsibility (CSR) by catering to the needs of the weaker sections of the society.

The CSR Policy of the Company may be accessed on the Company's website at <https://davangeresugar.com/policies-and-codes/>. The report on the CSR activities is appended at **Annexure IV** to the Board's Report. The details relating to the composition, powers, roles, terms of reference etc. of CSR Committee are given in detail in the Corporate Governance Report, which forms part of this Annual Report.

Management Discussion and Analysis Report

Management discussion and Analysis Report for the year under review, as required under Regulation 34 read with Schedule V the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR 2015), is forming part of this Annual Report and the same is marked as **Annexure V**.



CEO and CFO Certification:

In terms of Regulation 17(8) of the Listing Regulations, the CEO and CFO have certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2025-26. The certificate received from the CEO and CFO is attached herewith and the same is marked as **Annexure VI**.

Listing and Listing fees:

The Company affirms that the annual listing fees for the year 2025-26 to The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) has been duly paid. As on date there are no outstanding dues.

Vigil Mechanism and Whistle Blower Mechanism

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the company has established a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, genuine concerns, actual or suspected fraud or violation of the company's Code of Conduct.

The mechanism provides adequate safeguards against victimization of Directors and employees who avail the vigil mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee. The detailed disclosure of the Vigil Mechanism & Whistle Blower Policy is available at <https://davangeresugar.com/policies-and-codes/> under Investor desk.

Company Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

The Board of Directors has code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. Under this code the company lays down guidelines and procedures and principles to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation.

The policy has been formulated to regulate, monitor and ensure reporting of deals by Designated Persons and connected persons to maintain the highest ethical standards of dealing in Company securities.

Pursuant to amendments in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 vide the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company adopted the new "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("Fair Disclosure Code") incorporating a policy for determination of "Legitimate Purposes" as per Regulation 8 and Schedule A to the said regulations w.e.f. 1st April, 2019.

The Revised Insider Trading Code or Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI), is available on our website at <https://davangeresugar.com/policies-and-codes/>.



Compliance with the Code of Conduct

The Board has formulated a code of Conduct for the Board Members and Senior Management of the company, which has been posted on the website of the company. It is affirmed that all the directors and senior management have complied with the code of conduct framed by the company and confirmation from all the directors, KMP and senior management has been obtained in respect of the F.Y. 31st March 2026.

Prevention of Sexual Harassment at Workplace

The Company has complied with the requirements relating to the constitution of the Internal Complaints Committee (ICC) in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the Act") and the Rules framed thereunder.

The details of complaints pertaining to sexual harassment during the financial year are as under:

a.	number of complaints of sexual harassment received in the year;	-
b.	number of complaints disposed off during the year; and	-
c.	number of cases pending for more than ninety days	-

Corporate Governance

Your Company is committed to good corporate governance aligned with the best corporate practices. In compliance with Regulation 34 read with Schedule V of Listing Regulations, a detailed report on Corporate Governance forms part of this Annual Report. A Certificate from the Practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended as **Annexure VII** to this Report.

Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of SEBI (LODR) Regulations, 2015, Certificate of non-disqualification of Directors as on 31st March, 2026 has been received from Practicing Company Secretary and annexed as **Annexure VIII** of the Directors' report.

Material Changes & Events after Balance Sheet Date

After the date of the Balance sheet there were following material changes in the Company,

- During the year, the Company the paid-up share capital of the Company increased pursuant to the allotment of 48,91,46,178 (Forty-Eight Crore Ninety-One Lakh Forty-Six Thousand One Hundred and Seventy-Eight) fully paid-up Equity Shares of face value of ₹1 (Rupee One) each on a rights basis to the existing equity shareholders of the Company. The Paid-up Capital of the Company increased from 94,08,44,620 (94,08,44,620 Equity Shares of Rs.1/- to 1,42,99,90,798 (1,42,99,90,798 Equity Shares of Rs.1/).

During the year under review, the Authorized Share Capital of the Company increased from 150 Crores (divided into 150 Crores equity shares of ₹ 1/- each) to 200 Crores (divided into 200 Crores equity shares of Rs.1/- each) in the Extra Ordinary meeting of the Shareholders held on 24th April, 2026.

Cautionary Statement:

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements.



Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

Appreciation & Acknowledgements

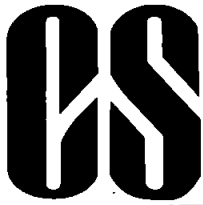
The Board wishes to place on record its gratitude for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and farmers, cane growers and finally to all its members for the trust and confidence reposed on the Company. The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the operations of the Company.

**For and on behalf of the Board
For Davangere Sugar Company Limited**

**Sd/-
Shamanur Shivashankarappa Ganesh
(Managing Director)
DIN: 00451383**

**Sd/-
Abhijith Ganesh Shamanur
(Director)
DIN :03451918**

**Date: 14.08.2026
Place: Davangere**



PRASHANT D. SHEDBAL (B.com FCS)
PRACTICING COMPANY SECRETARY

Meenakshi North Avenue,
 Flat No. 104, Maruthi Layout,
 Sampigehalli Main Road,
 Agrahara Village, Bangalore - 560 064.
 Mobile : 90085 97347

E-mail : prashants1985@gmail.com | csprashant@fintel.in

Secretarial Audit Report for the Financial Year ended March, 31,2026
Form No. MR-3

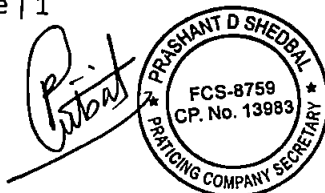
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of
 the Companies (Appointment and Remuneration Personnel)
 Rules, 2014]

To,
The Members,
Davangere Sugar Company Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Davangere Sugar Company LIMITED** ("the company"). We have conducted the Audit in accordance with the applicable Auditing Standard issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable about compliance laws and maintenance of records.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period from April 01, 2025 to March 31, 2026 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter:

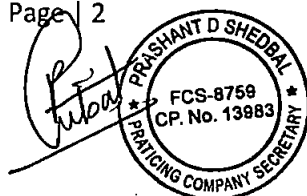
- (i) The Companies Act, 2013 ("the Act") and the rules made hereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (External Commercial Borrowings are not applicable to the Company during the Audit Period);
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("the SEBI Act"): -



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the audit period)**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***the Board of Directors of the Company at their meeting held on July 25, 2025 have issued and allotted 48,92,39,202 Equity Shares on Rights Issue basis at a price of Rs 3.05 per equity share (Including a share premium of Rs 2.05 per equity share. The total value of capital raised was Rs 14,921.80 Lakhs.***
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not applicable to the Company during the audit period)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("Listing Regulations").



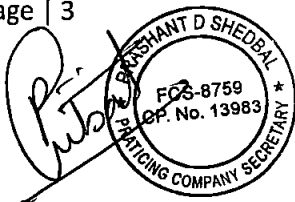
I further report that, as per the opinion of the officers of the Company and information provided by them there are following specific applicable laws based on activities of the Company have been substantially complied with:

- a. Sugar Cess Act, 1982
- b. The Sugar (Control) Order, 1966
- c. The Sugarcane (Control) Order, 1966
- d. FSSA, 2006
- e. Essential Commodities Act, 1955
- f. Indian Boilers Act, 1923
- g. The Electricity Act, 2003
- h. The Legal Metrology Act, 2009
- i. The Standard of Weights and Measures Act, 1976
- j. The Explosives Act, 1884

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made thereunder.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The Changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions of the Board and Committee Meetings were carried out unanimously and recorded in the minutes of the Meetings, as the case may be.



I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards.



Prashant D Shedbal
Practicing Company Secretary
Membership No. F8759
COP: 13983
UDIN: F008759H001048094
PR No. 8170/2026



Date: 28/07/2026
Place: Bangalore

This report is to be read with our letter of date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.


Prashant D. Shedbal
Practicing Company Secretary
Membership No. F8759
COP: 13983
UDIN: F008759H001048094
PR No. 8170/2026



Date: 28/07/2026
Place: Bangalore



Annexure –II

The Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2025 is given below and forms part of Board's Report.

Conservation of Energy:

1. The steps taken or impact on conservation of energy; The Company is continuously working on conservation of energy through innovative measures and has taken following steps towards the same:
 - a. Replacement of old and in-efficient motors and panels to improve efficiency of equipment.
 - b. Water circulation arrangement has been done to reduce ground water consumption. Water recycle system has been modified. The same will reduce ground water consumption significantly.
2. The steps taken by the company for utilizing alternate sources of energy;
The Company is in the process of installing Multi Effect Evaporator sets in distillery units to concentrate spent wash (waste of distillery). It is being used as fuel in especially designed slop boilers (incinerators), which will save environment from pollutants.
3. The capital investment on energy conservation equipment: Rs Nil



Form A

(See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	For the current year ended March 31,2026	For the current year ended March 31, 2025
I. Power and fuel consumption		
1. Electricity		
A. Purchases		
Unit	547920	435240
Total Amount	6575040	5222880
Rate/Unit	12.00	12.00
B. Own Generation		0
[a] Through Diesel Generator	40	0
Unit	2.50	0
Unit per Litre of Diesel Oil	38.00	0
Cost/Unit	27998000	25656600
[b] Through Steam Turbine	4.10	3.52
Unit per MT of fuel consumed	2.45	2.69
C. Consumption per unit of production (per Qtl of Sugar)		
Standards If any	137840 Qntls	132610 Qntls
Products (with details)	38.75 units	41.10 units
Unit – Sugar in Qtls		
Electricity consumption per qtl of sugar (units)		
Furnace Oil		

Technology Absorption

1. The efforts made towards technology absorption: Company has Modernized the process house with FFE Technology and adoption of German model VKT technology.
2. The benefits derived like product improvement, cost reduction, product development or import substitution: Increase in productivity, product quality and reduction in steam consumption.



Driving Change. Making Impact

3. In case of imported technology: The Company has not imported any technology.
4. The expenditure incurred on Research and Development:
5. The Company has not incurred towards Research and Development.

Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	Current year	Previous Year
Export and foreign exchange Earnings for exports made to merchant exporter	Nil	Nil
Imports and expenditure in foreign currency	Nil	Nil

Sd/-

Shamanur Shivashankarappa Ganesh

(Managing Director)

DIN: 00451383

Date:14.08.2026

Place: Davangere



Annexure III

Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2025-26 are as under:

S. No.	Name	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2025-26
1.	Mr. Shamanur Shivashankarappa Ganesh	Managing Director	N.A.	N.A
2.	Mr. Abhijith Ganesh Shamanur	Executive Director	9:1	0%
3.	Mrs. Swathi Shamanur	Non-Executive Director	N.A.	N.A
4.	Mr. Thappagondanahally Rajashekarappa*	Independent Director	N.A.	N.A
5.	Mr. Achal Kapoor**	Independent Director	N.A.	N.A
6.	Mrs. Hima Bindu Sagala	Independent Director	N.A	N.A
7.	Mrs. Vinita Dilip Modak	Independent Director	N.A	N.A
8.	Onkarappa P	Chief Financial Officer	6:1	0%
9.	Miss. Uma Singh*** (appointed w.e.f 16 th June, 2025)	Company Secretary and Compliance Officer.	7:1	0%

*Mr. Thappagondanahally Rajashekarappa ceased to be an Independent Director of the Company with effect from July 16, 2025.

**Appointment of Mr. Achal Kapoor (DIN: 09150394) as an Independent Director. w.e.f 16th July 2025.

***Ms. Uma Singh appointed as Company Secretary and Compliance Officer w.e.f 16th June, 2025.

Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration of Directors was as per the Remuneration Policy of the Company.



Annexure –IV

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. CSR Policy

The Company believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, the Company constantly endeavours to actively contribute to the social and economic development of the communities in which it operates. The Company has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. The Company has social values ingrained into its culture and manner of working. The Company will undertake various CSR projects, programs and activities from time to time. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the Companies Act, 2013 and rules framed under (as amended from time to time). It shall be at the discretion of the Company to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit.

- Without prejudice to the generality of the aforesaid, the Company may from time to time undertake any project, program and activity on one or more of the following areas:
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Contributing to the education of children from low-income families, particularly those of poor farmers in the local area, implementing various educational initiatives, such as scholarships, school infrastructure development, and access to learning resources. By investing in these areas, we aim to bridge the educational gap and enable children from poor farming families to thrive academically.
- Through partnerships with local schools and nonprofit organizations, providing financial support for tuition fees, school supplies, and transportation, ensuring that children from poor farming backgrounds can attend school regularly and without financial burden.
- Promoting education, including special education through various activities including organizing schools development projects/programs, by organizing special sessions in schools, etc.
- Promoting education through various activities including providing support to educational institutions, centres for non-formal education, tent school programs, schools at various sites like construction sites, etc.
- Employment enhancing vocation skills especially among children and women through various activities including child care centres, anganwadi programs, livelihood enhancement projects, vocational training programs, etc.
- Empowering women through various activities including child care centres, Anganwadi program, etc.
- Promoting awareness of preventive health care through various activities including organizing campaigns, awareness sessions, events, marathons, etc. with reference to various ailments such as diabetes, hypertension, cardiac, etc.
- Any other projects, programs and activities falling within the permissible activities prescribed under Companies Act, 2013, rules made thereunder, circular/notification/guidelines/clarification issued thereunder.



Mode of carrying out CSR activities

The Company may carry out the CSR activities either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Companies Act, 2013 or through one or more of the modes in such manner as it deems fit and as allowed under the provisions of the Companies Act, 2013 and rules made there under. The Company may also collaborate with other companies for undertaking projects, programs and activities in such manner as it deems fit.

The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit. Subject to provisions of Companies Act, 2013 and rules made there under, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- i. Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company.
- ii. Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities.
- iii. Determine modalities of execution of such CSR projects, programs and activities.
- iv. Undertake all necessary steps to implement the CSR activities.
- v. Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors.
- vi. Monitor the CSR activities in such manner as it deems fit.
- vii. Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company.
- viii. To perform such functions as may be entrusted by the Board of Directors from time to time.

CSR Spending

The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorise from time to time subject to the limits as approved by the Board of Directors. Any surplus arising out of CSR projects, programs and activities shall not form part of the business profits of the Company.

Monitoring Process

CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. CSR Committee shall ensure that a transparent monitoring mechanism is put in place.

Without prejudice to the generality of the contents of this policy, the Company may undertake CSR projects, programs and activities as permitted under the framework of Companies Act, 2013 from time to time (including any amendments, clarifications, circulars, notifications or other official communications from time to time). The Company may also carry out the purposes of this CSR policy in accordance with any amended position of law from time to time notwithstanding that such amended position is not reflected in this policy.



2. The Composition of the CSR Committee.

Sr	Name of Committee members	Category 1 of directors	Category 2 of directors
1	Mrs. Swathi Shamanur	Non-Executive - Non Independent Director	Member
2	Mr. Achal Kapoor	Non-Executive - Independent Director	Chairman
3	Ms. Vinita Dilip Modak	Non-Executive - Independent Director	Member

The CSR Committee met once a year _____

3. Average net profit as per CSR rules of the Company for last three financial years as company was required to spent during financial year 2025-26

Particulars	Amount (In Lacs)
Profit/(Loss) – 2022-23	1768.00
Profit/(Loss) –2023-24	1445.24
Profit/(Loss) –2024-25	1285.90
TOTAL	4,499.14
Average Profit for the purpose of Section 135	1,499.71
2% of Average Profit/(Loss) for last three financial years	29.99

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

2% of average profit for last 3 years – ₹29.99 Lakhs

Corporate Social Responsibility (CSR)

The total amount spent towards Corporate Social Responsibility ("CSR") activities during the Financial Year **2025-26** is **Rs. 42.61 Lakhs**. The details of the expenditure are furnished below:

The provisions of **Section 135** of the Companies Act, 2013 relating to Corporate Social Responsibility are applicable to the Company for the Financial Year **2025-26**, as the Profit Before Tax ("PBT") of the Company exceeded **Rs. 5 Crores** during the year. The Company earned a **Profit Before Tax of Rs. 1,093.71 Lakhs** during the Financial Year 2025-26 and, accordingly, the CSR provisions are applicable.

The Company was required to spend the mandatory amount of **Rs. 29.99 Lakhs**, being 2% of the average Profit Before Tax of the preceding three financial years, towards CSR activities. In order to meet this statutory obligation, the Company spent Rs.17.17 Lakhs towards the development of a green belt by

undertaking plantation of nursery plants in the surrounding areas as part of its CSR initiatives. The Company also spent Rs. 2.71 Lakhs towards providing education to economically weaker students at the Primary and Secondary Education School run by the Company. Accordingly, the Company has spent the sum of Rs. 19.35 Lakhs.

Further, with a view to promoting education, an amount of **Rs. 10.64 Lakhs**, being part of the contribution made to **Advaith Educational Trust (R)**, a CSR-approved educational institution, and expenditure incurred towards Green Belt Development in excess of the CSR obligation during the Financial Year 2024-25, has been set off against the CSR obligation for the Financial Year 2025-26, in accordance with the applicable provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company had issued a cheque for Rs. 20.75 Lakhs in favour of Advaith Educational Trust (R) on 27.03.2025 for the purchase of computers to promote the education of children. The cheque was realised through the bank on 07.04.2025. Accordingly, the said expenditure of Rs. 20.75 Lakhs has been considered towards the promotion of education under CSR activities.

Out of the total CSR expenditure, **Rs. 19.35 Lakhs** was incurred towards the development of a green belt through agro-forestry plantation for ensuring environmental sustainability. The said expenditure falls under **Item (iv) of Schedule VII** to the Companies Act, 2013 relating to "ensuring environmental sustainability, ecological balance and agroforestry."

Further, an amount of **Rs. 10.64 Lakhs** was contributed to **Advaith Educational Trust (R)** for promoting education, which falls under **Item (ii) of Schedule VII** to the Companies Act, 2013 relating to the promotion of education.

EXCESS AMOUNT FOR SET OFF

Sr. No	Particulars	(Amount in ₹ 'Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 29.99
(ii)	Total amount spent for the Financial Year	Rs. 42.61
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 12.62
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 12.62

b. Amount unspent, if any; - NIL



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

Sr. No	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs	Amount outlay (budget) project or programs wise (in Rs. in lacs)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lacs)	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1.	NA	NA	NA	NA	NA	NA	NA

The Company has not undertaken any project to implement the CSR activities. Hence the above table is NOT APPLICABLE

5. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.:

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby confirm on behalf of the CSR Committee that the implementation and monitoring of CSR. CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board
For Davangere Sugar Company Limited

Sd/-
Shamanur Shivashankarappa Ganesh
(Managing Director)
DIN: 00451383

Sd/-
Mr. Achal Kapoor
(Chairman of CSR Committee)
DIN :09150394

Annexure –V

Management Discussion & Analysis Report

Global Economic Overview:

Global sugar production is forecast down 1.2 million tons to 184.9 million with lower production in Brazil, the European Union the United States and Thailand expected to more than offset higher India production. Exports are forecast down slightly to 62.3 million tons with reduced exports from Brazil, the European Union, Morocco, and Pakistan more than offsetting higher shipments from Australia. Ending stocks are forecast to rise slightly, primarily in China and India.

Sugar is produced dominantly from sugarcane, while about a fifth is from beet. Though beet has recorded robust rise in yield, crop area has steeply risen for sugarcane essentially from tropical countries. Ethanol production consumes about 15% of the world sugarcane harvest but consistently constitutes over one-half in Brazil. India is fast catching up in its bid to absorb surplus sugarcane into ethanol production that helps in concomitant cut in sugar production to achieve desired demand-supply parity and sugar price stability.

World sugar prices are highly volatile wherein the price volatility for raw sugar is generally higher compared to white sugar. World prices for white and raw sugar are strongly co-related. There is clear statistical inverse relationship between prices and stocks, expressed by the ratio of stock to consumption. There exists a small positive co-relation between the price of sugar and oil.

Status update

As per ISO, world production in 2025-26 would rebound, thanks to steep rise in India followed by Thailand. At 181.3 MMT, it would be a new record. Consumption would increase marginally, yet below the record 2023-24 level. Slack in consumption growth could be attributable to increased use of corn based and high intensity sweeteners, use of GLP-1 drugs in US that reduces food craving and impact of geopolitical turmoil. Notably 2025- 26 would record a surplus of 1.2 MMT as opposed to successive deficits in the last six years. Year-end stock at 93.3 MMT is near flat, while stock / consumption ratio at 51.81% would be a new low in a decade.

Raw sugar prices deeply decelerated between Oct '24 and Sep '25 in NY#11 Futures, losing about 30% value. Average price for 2025 was indeed a five-year low. The Iranian war that fired up crude oil prices triggered a temporary surge in sugar prices that however turned ephemeral. Raw sugar prices currently trade sub 14 c / lb, which is below cost of production for most countries, including India.

Performance of Major Sugar Producing Countries:

U.S. production is forecast down slightly to 8.0 million tons. Imports are forecast nearly 600,000 tons higher to 3.0 million based on projected quota programs consistent with World Trade Organization and free-trade agreement obligations, and on projected imports from Mexico, re exports, and high-tier tariff imports. Consumption is unchanged while stocks are reduced mostly due to lower output.

Brazil production is forecast down 1.3 million tons to 42.5 million on the expectation that the ethanol/sugar mix will favor ethanol at 52 percent versus 48 percent for sugar. Strong domestic ethanol demand drives the shift in the ethanol/sugar mix following the August 2025 policy change to increase the anhydrous ethanol blend in gasoline from 27 percent to 30 percent. With lower sugar output, consumption and exports are forecast to decline.

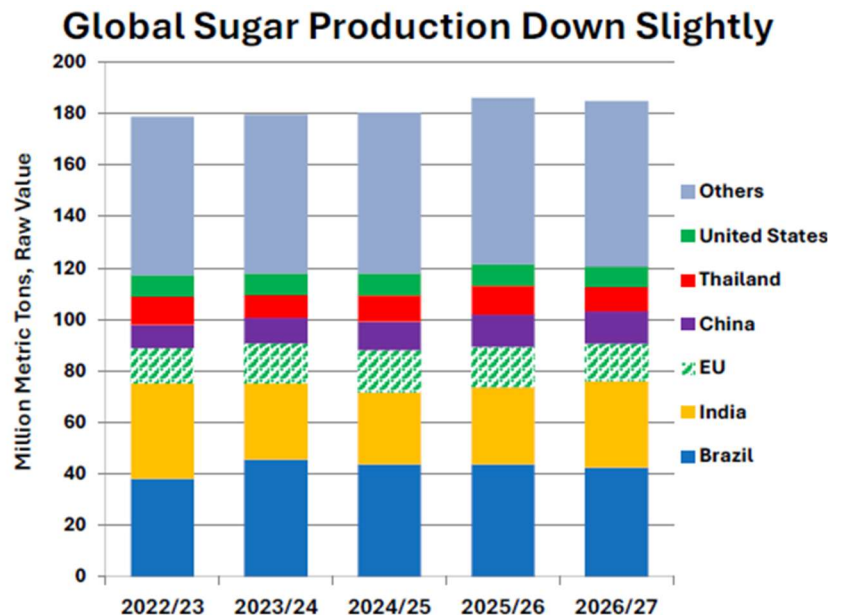
sugar production is forecast down 1.2 million tons to 184.9 million with lower production in Brazil, the European Union the United States and Thailand expected to more than offset higher India production. Exports are forecast down slightly to 62.3 million tons with reduced exports from Brazil, the European Union, Morocco, and Pakistan more than offsetting higher shipments from Australia. Ending stocks are forecast to rise slightly, primarily in China and India.

European Union production is forecast to fall 1.2 million tons to 14.4 million on lower sugarbeet area amid weak prices and high input costs, leading some growers to switch to alternative crops. Imports are up with lower production while exports are forecast down and consumption flat.

China production is forecast nearly unchanged at 12.7 million tons on normal growing conditions and stable sugarcane and sugarbeet area. The central government continues to prioritize sugar production, with local governments in Guangxi and Yunnan provinces supporting this goal through subsidies and programs that promote improved planting techniques and mechanization. Imports and consumption are expected flat.

Thailand production is forecast down 1.8 million tons to 9.5 million due primarily to reduced area following last year's announcement by the Office of the Cane and Sugar Board to set the farm-gate price below the cost of production to reduce inflation. Consumption and exports are expected to remain unchanged.

(Source - USDA)



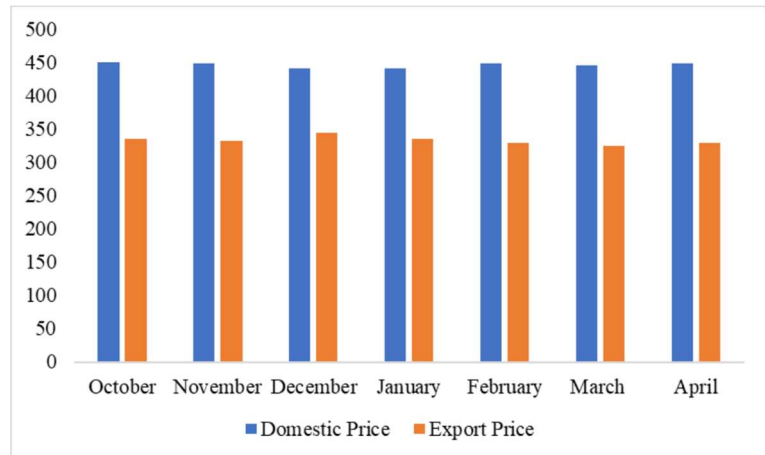
Domestic and International Price:

While 2025/26 production volumes are largely finalized, the comparative economics of ethanol versus sugar production remain critical for 2026/27 planning. Recent geopolitical tensions have elevated global oil prices to approximately \$100 per barrel—the first time in nearly four years. According to industry sources, the government was already evaluating increased ethanol blending mandates to reduce petroleum import dependence and support domestic producer capacity.

However, strong domestic sugar prices currently provide limited incentives for mills to redirect production toward ethanol. Additionally, regional variations complicate production decisions. In Northern India, where sugar prices exceed Maharashtra levels, diverting production to ethanol is even less economically viable.

Substantial improvements in ethanol-to-sugar price ratios would be necessary to incentivize such shifts. Any ethanol policy modifications could materially affect India's sugar output and global market equilibrium in 2026/27.

Domestic sugar prices remained firm during October-November 2025 due to festive season demand. Since January 2026 prices have remained near \$456 per MT. With subdued global prices reflecting strong production expectations from Brazil, Thailand, and India, mills prioritized domestic sales over exports through much of the past month. However, raw sugar futures declined after Indian authorities reaffirmed on April 7, 2026, their commitment to maintaining the 2 MMT export quota



Source: Department of Food and Public Distribution and FAS New Delhi Research

Overview of the Indian Sugar Sector:

Key Highlights:

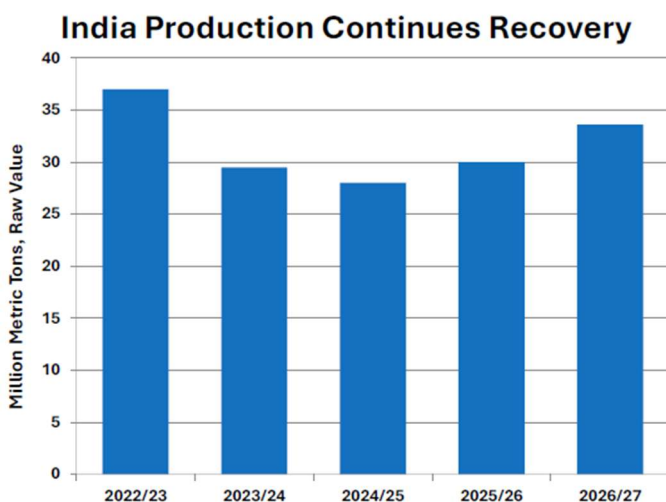
- The sugar industry is the second-largest agro-based industry in India, next only to the cotton industry, and is one of the most significant contributors to the country's agricultural economy.
- India is the second-largest sugar producer in the world after Brazil and continues to maintain a prominent position in the global sugar market.
- As per industry estimates, sugar production during Sugar Season (SS) 2026-27 is expected to recover by 3.6 million metric tonnes (raw value) to approximately 33.6 million metric

tonnes, driven by consecutive favourable monsoon seasons, improved groundwater reserves, higher sugarcane yields and increased acreage under cultivation.

- The area under sugarcane cultivation and harvesting is projected to reach nearly 6.0 million hectares, representing an increase of approximately 2% over the previous season.
- Uttar Pradesh, Maharashtra and Karnataka remain the leading sugarcane-producing States and together contribute nearly 60% of the country's total sugar production.
- The sugar industry plays a vital role in India's rural economy and directly or indirectly supports the livelihoods of more than 5 crore sugarcane farmers and their dependents, cultivating sugarcane over approximately 55–60 lakh hectares across the country.
- In addition to the farming community, the industry provides direct employment to approximately 5 lakh workers in sugar mills and supports the livelihoods of another 10 lakh persons through allied and ancillary activities.
- The Indian sugar industry operates under a comprehensive regulatory framework comprising various laws, policies and Government interventions aimed at balancing the interests of sugarcane growers, sugar mills and consumers.
- The regulatory framework focuses on ensuring fair remuneration to farmers, maintaining adequate domestic sugar availability, stabilising sugar prices, promoting sustainable industry growth and strengthening the long-term viability of the sector, while prioritising domestic requirements over global market fluctuations.
- The industry continues to evolve through improved agricultural practices, technological advancements and integrated operations involving sugar, ethanol and co-generation, thereby contributing to renewable energy, resource optimisation and sustainable economic development.

On April 2, 2026, the Indian Sugar and Bio-Energy Manufacturers Association (ISMA) published its production estimate for MY 2025/26 at 27.2 MMT (crystal value basis), representing a 12 percent decrease from the initial forecast of 31 MMT. By the first week of March 2026, 465 out of 541 sugar mills had concluded crushing operations, according to industry sources. Despite higher production volumes compared to the previous year, excessive rainfall led to lower cane availability, and thereby to earlier mill closures.

Additionally, the year-on-year increase in operating mills meant that even with higher than previous year's cane availability, expanded crushing capacity enabled mills to complete



operations sooner. This contrasts with the previous year when only 420 mills had closed by late March, allowing crushing activities to continue throughout that month (see Table 3).

Table 3: India: Sugar Mill Status and Recovery Rate as of March 31, 2026

Particulars	October to March 2024	October to March 2025	October to March 2026
Total mills	358	493	541
Sugar production (MMT)	28	30	33.6
Sugar recovery rate	10	8.3	9.2

Source: FAS New Delhi Research

Government Assistance to Uplift the Sugar Industry:

Over the past several years, the Government of India has taken numerous measures to help the sugarcane producers and sugar industry. These include the following:

- Aided sugar mills at Rs 5.50/quintal of cane crushed for sugar season 2017–18 to offset the cost of cane amounting to about Rs 1540 crore. In 2018–19 SS further assistance to sugar mills was provided at Rs 13.88/quintal amounting to a total of Rs 4163 crore.
- Extended soft loans of Rs 6,139 crore in 2017–18 SS through banks to the mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which the Government will bear interest subvention of ₹1332 crore. A further extension of soft loans in 2018–19 SS of about Rs 10,540 crore was provided for which interest subvention was at 7% for one year, amounting to Rs 738 crore.
- To prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has fixed a minimum selling price of sugar at Rs 29/kg for sale at factory gate in domestic market in June 2018, - below which no sugar mill can sell sugar. The same was later revised to Rs. 31 per kg in Feb'2019.
- Notified the new National Policy on Biofuels, 2018, under which sugarcane juice has been allowed for the production of ethanol. Further, the Government has fixed the remunerative price of ethanol produced from C-Heavy molasses and B- Heavy molasses/sugarcane juice separately for supply under EBP during ensuing ethanol season 2018–19.
- The Central Government provided a lump sum assistance for expenses on export of sugar limited to MAEQ of sugar mills for the sugar season 2020-21, in the following Manner: (a)

For marketing including handling, quality up-gradation, debuggging & re- bagging and other processing costs etc. @ Rs. 1600 per MT. (b) For internal transport and freight charges including loading, unloading, and fobbing etc. @ Rs. 2400 per MT. (c) For ocean freight against shipment from Indian ports to the ports of destination countries etc. @ Rs. 2000 per MT. TOTAL = RS. 6000 PER TON (LATER REDUCED TO RS 4000 PER TON w.e.f. MAY'2021.

Source- ISMA

Industry Developments and Regulatory Updates:

(i) Sugar

During the year under review, the sugar industry continued to operate under a regulated environment with significant policy interventions by the Government of India ("GOI"):

- The stock holding norms and Monthly Stock Quantity (MSQ) mechanism for sugar, introduced by the GOI in June 2018, continued to remain in force during the year.
- The Minimum Selling Price (MSP) of sugar, fixed at ₹31 per kg by the GOI in February 2019, remained unchanged despite a substantial increase in the Fair and Remunerative Price (FRP) of sugarcane and repeated representations from the industry seeking an upward revision.
- With effect from 22 September 2025, the GST rate applicable to all forms of sugar, syrups, confectionery products, farm implements and pesticides was reduced from 12% to 5%.
- The GOI permitted phased exports of sugar during Sugar Season (SS) 2025-26:
 - In November 2025, export of 15 lakh tonnes of sugar was permitted, the 50% export duty on molasses was removed, and mill-wise export quotas were made tradable.
 - In February 2026, an additional export quota of 5 lakh tonnes was permitted; however, the mill-wise quota was not made tradable.
- The mandatory jute packaging requirement continued during the year. The Ministry of Textiles, vide Notification dated 16 February 2026, extended mandatory jute packing for sugar at 20% up to 30 June 2026. The Sugar Advisory Committee (SAC) recommended reducing the requirement to 15%, subject to certain exemptions. The industry continues to pursue legal remedies highlighting health concerns associated with the use of carcinogenic jute batching oils.
- Proceedings relating to the levy sugar price matter before the Hon'ble Supreme Court have concluded, and the judgment is awaited.

(ii) Sugarcane Pricing

- The GOI, in April 2025, increased the Fair and Remunerative Price (FRP) for sugarcane by ₹15 per quintal to ₹355 per quintal, linked to a base recovery rate of 10.25%, for Sugar Season 2025-26.

- The Draft Sugarcane (Control) Order, 2026 was released by the GOI in April 2026.
- The Government of Tamil Nadu (GOTN) continued to withhold the transport subsidy of ₹100 per tonne for sugar mills, discontinued since Sugar Season 2020-21, resulting in the industry bearing the full transportation cost in the State.
- GOTN announced an incentive of ₹349 per tonne for sugarcane supplied during Sugar Season 2024-25. The incentive for Sugar Season 2025-26 is awaited.

(iii) Co-generation

The co-generation sector witnessed several regulatory and judicial developments during the year:

- The Central Electricity Regulatory Commission (CERC) issued a draft proposal on 3 June 2025 for determination of the levelized tariff for the second year of the Control Period. Following representations made by SISMA-TN, the final order was issued on 9 July 2025, covering the period from 1 July 2025 to 31 March 2026, subsequently extended up to 31 July 2026.
- The National Stock Exchange (NSE) and Multi Commodity Exchange (MCX) launched electricity derivatives in June 2025.
- Entitlement for Renewable Energy Certificate (REC) sales by captive generating plants was restricted under the CERC (REC) Regulations, 2022. ISMA's challenge before the Hon'ble High Court of Delhi remains pending.
- The Appellate Tribunal for Electricity (APTEL), vide order dated 16 June 2025, set aside the TNERC Order dated 4 January 2019 relating to Parallel Operation Charges (POC). The matter has since been challenged before the Hon'ble Supreme Court by TNPDC.
- APTEL, through its judgment dated 3 September 2025, allowed the batch of appeals challenging tariff orders issued by TNERC since 2012. Consequent thereto, TNERC initiated remand proceedings for revision of tariff, which are presently under consideration.
- The Review Petition (RP No. 10 of 2025) filed by SISMA-TN seeking review of Tariff Order No. 9 of 2025 remains pending before TNERC.
- TNERC, vide order dated 23 December 2025, clarified that the revised tariff under Tariff Order No. 9 of 2025 would apply prospectively from 22 September 2025. The said order has been challenged by SISMA-TN through a Writ Petition.
- The Government of India released the draft National Electricity Policy, 2026 in January 2026, addressing emerging developments and future strategies for the power sector.

(iv) Ethanol

- Pursuant to the communication dated 1 September 2025 issued by the Ministry of Consumer Affairs, Food and Public Distribution (MCAFPD), sugar mills and distilleries were permitted to produce ethanol from sugarcane juice, sugar syrup, B-Heavy Molasses and C-Heavy Molasses without restriction during Ethanol Supply Year (ESY) 2025-26.
- The ethanol blending percentage averaged 19.98% during ESY 2025-26, reflecting continued progress under the Ethanol Blended Petrol (EBP) Programme.

- The Public Interest Litigation challenging the rollout of E20 fuel was dismissed by the Hon'ble Supreme Court on 1 September 2025.
- The sugar industry's contribution to the EBP Programme continues to face challenges due to the absence of revision in ethanol procurement prices for the last three years. The industry has continued to advocate for wider applications of ethanol beyond fuel blending and further enhancement of blending targets.

Outlook:

World sugar balance for 2025-26 would be turning to a surplus after six deficit years. Accordingly, world prices may be expected to remain range bound, barring unforeseen weather challenges in major producing centers. Southwest monsoon forecast for 2026 is below par compared to long period average, both by IMD and a private agency. El-Nino challenge could be a major threat to cane crop in lead producing States like Maharashtra and Karnataka. Sugar production should still be more than adequate to take care of domestic demand, while GOI's decision on sugar exports and diversion for ethanol would hinge on crop assessment, post monsoon.

TN sugar industry continues to suffer in successive years in solitude. Water storage in State reservoirs are much below capacity and last year levels. Multitude of problems plaguing TN sugar industry are now too well known as these have been persisting for pretty long. It is no exaggeration that it is facing an imminent survival challenge that cries for instant State intervention with imaginative and comprehensive package support measures for its resurrection.

Amidst macro-level challenges outlined above, our company has all along fared reasonably well and relatively far better than most peers. It should be able to combat current headwinds on the strength of its strong liquidity, sustained improvement in operational efficiencies and overall financial standing.

Opportunities and Threats:

The Indian sugar industry continues to offer significant growth opportunities, supported by a large domestic market, favourable Government initiatives and the increasing focus on renewable energy. At the same time, the industry remains exposed to cyclical market conditions, climatic uncertainties and regulatory changes.

Opportunities: -

- **Strong Domestic Market:** India has a relatively low per capita sugar consumption compared to several other countries. Rising income levels, population growth and urbanisation are expected to support sustained domestic demand over the long term.
- **Scope for Productivity Enhancement:** Significant opportunities exist for improving sugarcane productivity through optimisation of cane costs, adoption of high-sucrose sugarcane varieties, modern agricultural practices and enhanced farm productivity.
- **Growth in Ethanol:** Ethanol continues to provide a significant value addition opportunity for the sugar industry. The Government's Ethanol Blended Petrol (EBP) Programme, coupled with supportive policy measures and remunerative pricing for ethanol produced

through sugar diversion, has strengthened the industry's long-term growth prospects while helping reduce surplus sugar inventories.

- **Integrated Business Model:** The integrated operations of sugar, ethanol and co-generation have enabled sugar companies to diversify revenue streams, improve resource utilisation and reduce dependence on sugar price cycles.
- **Expansion into Green Energy:** The industry is increasingly focusing on converting waste into value-added products. Emerging opportunities in Compressed Biogas (CBG), Potash, Green Hydrogen, Methanol, Sustainable Aviation Fuel (SAF) and other renewable energy products are expected to contribute to long-term sustainability and profitability.
- **Research and Technological Advancements:** The Indian Sugar & Bio-energy Manufacturers Association (ISMA) continues to promote sugarcane research through nationwide varietal trials and international collaborations. Recent initiatives, including the Memorandum of Understanding (MoU) with the Sugarcane Research Institute (SRI), China, aim to strengthen breeding programmes, genomics research, seed-system innovation and technological advancement in sugarcane agriculture.

Threats:

- **Moderating Domestic Sugar Demand:** According to industry studies, domestic sugar consumption is expected to grow at a modest 1.5%–2.0% CAGR over the next five years. This underscores the importance of expanding ethanol production and other value-added businesses to absorb surplus sugarcane production.
- **Cyclical Nature of the Sugar Industry:** The sugar business remains inherently cyclical and is influenced by fluctuations in sugar production, inventory levels and market demand. Minor imbalances between demand and supply often result in significant volatility in sugar prices.
- **Dependence on Government Policies:** The industry's performance continues to be influenced by Government policies relating to sugarcane pricing, export regulations, ethanol procurement prices and other regulatory measures.
- **Climatic and Water Availability Risks:** Sugarcane cultivation is highly dependent on favourable climatic conditions and adequate water availability. Irregular monsoons, reduced river flows, depletion of groundwater resources and low storage levels in reservoirs can adversely impact sugarcane acreage, crop yield and sugar recovery.
- **Challenges in Adoption of Modern Irrigation:** Although drip irrigation has gained acceptance as an efficient irrigation method, its wider adoption continues to be constrained by high capital investment, delays in Government subsidy schemes and inadequate water availability during drought years.
- **Emerging Technology Adoption:** Artificial Intelligence (AI) and precision agriculture technologies are gradually being introduced in sugarcane farming. However, widespread adoption is expected to take time due to technological, infrastructural and implementation challenges.

Despite these challenges, the increasing contribution of ethanol, co-generation and other renewable energy initiatives is expected to enhance the resilience of the sugar industry and support sustainable long-term growth.

Company Overview:

Established in 1970, Davangere Sugar Company Limited (DSCL) has evolved into a leading player in the sugar industry. With a legacy spanning over five decades, DSCL has diversified operations encompassing sugar manufacturing, ethanol production, and co-generation of power. Located in the fertile region of Kukkuwada, Karnataka, the company thrives on innovation, operational excellence, and a commitment to community development. Our integrated approach, combined with cutting-edge technology, allows us to maintain industry leadership while contributing to sustainable growth.

Davangere Sugar Company Limited (DSCL) is one of the leading integrated sugar manufacturing companies in Karnataka, strategically located in the prime sugarcane-growing region of the State. The Company is engaged in the manufacture of sugar, ethanol and co-generation of power, with a strong focus on integrated operations that enable optimum utilisation of resources, operational efficiency and diversified revenue streams. Over the years, DSCL has established itself as a trusted and reputed player in the Indian sugar industry through its modern manufacturing facilities, commitment to quality and adoption of sustainable business practices.

The Company operates a state-of-the-art sugar manufacturing facility with substantial sugarcane crushing capacity, supported by an efficient co-generation power plant that utilises bagasse, a by-product of sugar manufacturing, for the generation of renewable energy. In addition, the Company's distillery converts molasses into high-quality ethanol, thereby creating additional value from by-products and strengthening its integrated business model.

The Government of India's continued emphasis on the Ethanol Blended Petrol (EBP) Programme, renewable energy and sustainable biofuels presents significant growth opportunities for integrated sugar companies. With its established manufacturing infrastructure and diversified operations, DSCL is well positioned to leverage these policy initiatives and strengthen its long-term growth prospects.

In line with its strategic vision, DSCL continues to diversify its revenue streams beyond conventional sugar manufacturing through ethanol production and renewable power generation. These integrated business segments not only contribute to greater earnings stability but also support the Company's commitment towards environmental sustainability, energy security, efficient utilisation of natural resources and India's transition towards a cleaner and greener economy.

Transforming Sugarcane Farming – Sustainability Impact of Our Sugarcane Development Programme:

The Company continues to strengthen its relationship with the farming community by implementing sustainable sugarcane development initiatives aimed at improving productivity, ensuring long-term cane availability and enhancing farmers' livelihoods. The key initiatives undertaken by the Company are as follows:

Initiative	Key Focus Areas
1. Structured Varietal Substitution Programme	To ensure sustainable sugarcane availability, the Company promotes diversification of sugarcane varieties by replacing susceptible varieties with high-yielding, disease-resistant and climate-resilient alternatives. Superior varieties are evaluated and multiplied in collaboration with leading research institutions. GPS mapping, digital monitoring and real-time crop tracking are utilised to assess crop performance and guide farmers towards improved agricultural practices, resulting in higher productivity and better sugar recovery.
2. Yield Improvement through Agronomic Innovation	The Company encourages scientific agronomic practices, including trench planting, wider row spacing and improved ratoon management techniques. These initiatives enhance root development, improve crop density and increase multi-season crop viability, thereby maximising sugarcane productivity and resource efficiency.
3. Active Farmer Engagement and Model Demonstrations	The Company regularly conducts farmer awareness programmes, technical workshops, field demonstrations and Farmer Field Days to disseminate modern cultivation practices. Demonstration plots showcasing high-yield technologies have enabled yield improvements of approximately 40–50% , while peer-to-peer learning has accelerated adoption of best agricultural practices.
4. Integrated Crop Protection and Surveillance	Advanced crop monitoring systems, real-time pest and disease surveillance, drone-assisted pesticide application and Integrated Pest Management (IPM) techniques are deployed to improve crop health. These initiatives minimise excessive chemical usage, enhance operational efficiency and promote environmentally sustainable farming practices.
5. Soil Health Management and Sustainable Agriculture	The Company undertakes periodic soil health assessments and promotes balanced nutrient management through scientific fertilisation practices. Farmers are encouraged to adopt bio-fertilisers, organic soil amendments and environmentally sustainable cultivation techniques to improve soil fertility, strengthen biodiversity and ensure long-term agricultural sustainability.
6. Farm Mechanisation and Digital Agriculture	The Company promotes mechanisation by introducing advanced agricultural equipment, including harvesters and planters, alongside digital technologies such as IoT-based monitoring systems and real-time advisory services. Continuous training programmes and technical support enable farmers to adopt modern technologies, improve operational efficiency, address labour shortages and strengthen the overall sugarcane supply chain.

Awards:

The Company's commitment to operational excellence, technological advancement and quality management has been recognised through various prestigious awards and accolades.

❖ Industrial Excellency

Davangere Sugar Company Ltd.. has been awarded with the honor of “Industrial Excellency” in technology & management by Institute of Indian Economics Studies, New Delhi.

❖ Best Business Leadership, Co- Generation

Mr.S.S. Ganesh has been honored with “BEST BUSINESS LEADERSHIP, CO-GENERATION” awarded on 8th February, 2006.

Certifications:

The Company continues to uphold the highest standards of quality, environmental stewardship and food safety through internationally recognised certifications. These certifications reaffirm the Company's commitment to excellence, regulatory compliance and continuous improvement.

- ✓ ISO 9001: Quality Management System
- ✓ ISO 14001: Environmental Management System
- ✓ FSSAI: Food Safety and Standards Authority of India Compliance

Compliance and Risk Management Controls:

Davangere Sugar Company Limited (DSCL) has instituted a comprehensive compliance and risk management framework to safeguard business sustainability. The framework is designed to ensure adherence to applicable laws, statutory and regulatory requirements, environmental norms and corporate governance standards.

The Company has established a structured risk management process to identify, assess, monitor and mitigate key business risks relating to sugarcane availability, fluctuations in sugar and ethanol prices, changes in the regulatory environment, working capital requirements and environmental sustainability. Periodic risk assessments, internal audits and regular reporting to the Audit Committee of the Board strengthen oversight and facilitate timely corrective actions.

The Risk Assessment & Management Policy of the Company is available on the Company's website and can be accessed through the following link:

Risk Assessment & Management Policy:

<https://davangeresugar.com/wp-content/uploads/2023/06/Risk-Management-Policy.pdf>

Through proactive compliance practices, technology-driven monitoring systems and a strong culture of accountability, the Company strives to minimise business disruptions, enhance operational resilience and create sustainable long-term value for all its stakeholders.

Internal Control Systems and Their Adequacy

Davangere Sugar Company Limited (DSCL) has established a robust and evolving internal control framework that supports its integrated operations across sugar, distillery, and cogeneration businesses. The system ensures accuracy in financial reporting, operational efficiency, regulatory compliance, and asset safeguarding across geographically dispersed facilities.

The Company's internal control structure is aligned with the principles of accountability, risk-based control design, and continuous monitoring. It encompasses well documented policies, standard operating procedures (SOPs), authorisation protocols, and periodic reviews conducted at functional, plant, and corporate levels.

Financial Controls

DSCL has instituted strong financial controls over critical processes, including procurement, inventory management, revenue recognition, and capital expenditure. The Company follows a maker-checker approver system across transactions, supported by enterprise-level automation, ensuring compliance with internal policies and statutory requirements. Quarterly and annual financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) and are subject to limited review or audit by statutory auditors.

Operational Controls

DSCL has a well-structured internal control framework to ensure efficient operations, protection of assets, accuracy of financial reporting, and compliance with statutory requirements. The Company follows defined policies and procedures supported by ERP systems for monitoring cane procurement, crushing, production, and inventory. An independent internal audit function periodically reviews key processes, and its findings are placed before the Audit Committee for corrective action. Financial controls, including budgetary discipline, variance analysis, and approval mechanisms, strengthen transparency and accountability. Compliance with regulatory requirements and risk management practices are integrated into day-to-day operations.

The Board and Audit Committee regularly evaluate the adequacy of these controls and are of the view that the internal control systems are robust, effective, and commensurate with the size and nature of the business.

Discussion on financial performance with respect to operational performance and Revenue Performance:

The Company's financial performance for the year ended March 31, 2026 is summarized below:

Financial Performance Highlights:

Particulars	FY 2025-26 (₹ in Lakhs)	FY 2024-25 (₹ in Lakhs)	Remarks
Total Income	24,109.89	21,675.60	Increased by ₹2,434.29 Lakhs (11.23%) over the previous year, reflecting improved business performance.
EBITDA	5,068.74	5,375.15	Marginal decrease of ₹306.41 Lakhs (5.70%) compared to the previous year.
Net Profit	740.60	1,083.71	Decreased by ₹343.11 Lakhs (31.66%) as compared to the previous financial year.

During the Financial Year 2025-26, the Company recorded Total Income of ₹24,109.89 Lakhs, as against ₹21,675.60 Lakhs in the previous financial year, registering a growth of 11.23%. The Company reported an EBITDA of ₹5,068.74 Lakhs as compared to ₹5,375.15 Lakhs in the previous year. The Net Profit for the year stood at ₹740.60 Lakhs, as against ₹1,083.71 Lakhs in FY 2024-25.

During the Financial Year 2025-26, Davangere Sugar Company Limited delivered a stable performance despite industry-wide challenges arising from lower sugar realizations and climatic pressures. The Company's integrated business model—encompassing sugar, ethanol, and cogeneration—helped mitigate the impact of cyclicity in the sugar segment and reinforced its position as a diversified energy and agro-based enterprise.

Details of significant changes

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of significant changes (i.e., 25% or more as compared to the immediately previous financial year) in key financial ratios of Davangere Sugar Company Limited are provided below:

Particulars	FY 2025-26	FY 2024-25	% Change	Remarks / Explanation
Debtors Turnover Ratio (Times)	7.49X	7.46X	0.46	Increase in the Trade Receivable during FY 2025-2026
Inventory Turnover Ratio (Times)	1.35X	1.61X	-16.64	Increase in inventory during FY 2025-2026

Interest Coverage Ratio (Times)	1.42X	1.48X	-4.05	Decrease in PAT and Increase in Inventory during FY 2025-2026
Current Ratio (Times)	1.96X	1.43X	37.61	Increase in Inventory and Current Assets during FY 2025-2026
Debt-Equity Ratio (Times)	0.61X	1.42X	-57.59	Increase in Share Capital and Reserves during FY 2025-2026
Operating Profit Margin (%)	15.35%	18.94%	-18.95	PAT Decrease due to increase in cost of Production during FY 2025-2026
Net Profit Margin (%)	3.56%	5.04%	-29.29	Decrease in Net working capital during FY 2025-2026
Return on Net Worth (RoNW) (%)	6.26%	13.24%	-52.71	Decrease in EBITA and Increase in Equity during FY 2025-2026

For and on behalf of the Board
For Davangere Sugar Company Limited

Sd/-
Shamanur Shivashankarappa Ganesh
(Managing Director)
DIN: 00451383
Date: 14 August 2026

Sd/-
Abhijith Ganesh Shamanur
(Director)
DIN :03451918



ANNEXURE VI
COMPLIANCE CERTIFICATE (CFO CERTIFICATION)
[SEE REGULATION 17(8)]

To,
Board of Directors,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2026 and that to the best of their knowledge and belief:

a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit committee:

a. significant changes in internal control over financial reporting during the year;

b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Date: - 14.08.2026

Place: - Davangere

SHAMANUR SHIVASHANKARAPPA
GANESH
Managing Director

PARAMESHWARAPPA
ONKARAPPA
CFO

Annexure - VII

Corporate Governance Report

A. MANDATORY REQUIREMENTS**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company has implemented and continuously tries to improve the Corporate Governance Practices with an attempt to meet stakeholders' expectations and Company's societal commitments through high standards of ethics, sound business decisions, prudent financial management practices, professionalism in decision making and conducting the business and finally with strict compliance of regulatory guidelines on Corporate Governance with transparency, honesty, efficiency, complete and timely disclosure and sustained enhancement of shareholders value.

BOARD OF DIRECTORS**(a) Composition**

The Company's policy is to have an appropriate mix of Executive, Non-Executive, and Independent Directors. As at the end of the year 31st March 2026, the Board of Directors had six members comprising of one Managing Director, four Non-Executive Director, and three Independent Directors.

(b) Board Meetings

During the Financial Year 2025-26, thirteen (13) Board Meetings were held on 14th May 2025, 13th June 2025, 16th June 2025, 16th July 2025, 25th July 2025, 14th August 2025, 05th September 2025, 08th September 2025, 15th September 2025, 27th September 2025, 13th November 2025, 10th February 2026 and 30th March 2026.

The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board of Directors as prescribed under Part-A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations. The details of the attendance of each Director at the Board Meetings during the Financial Year 2025-26 are given below.

Name of Director	Category of Directorship	Whether promoter or not	Relationship	No. of Shares held	Meetings held during the year	Meetings attended	Whether last AGM held on 30/09/2025 Attended or not
Mr. Shamanur S. Ganesh	Managing Director	Yes	-	35,74,18,674	13	13	Yes

Mr. Abhijith Ganesh Shamanur	Executive Director	Yes	Son of M.D.	6,91,47,240	13	13	Yes
Mrs. Swathi Shamanur	Non-Executive Director	-	-	-	13	13	No
Mrs. Hima Bindu Sagala	Independent Director	-	-	-	13	13	Yes
Mrs. Vinita Dilip Modak	Independent Director	-	-	-	13	13	No
Mr. Achal Kapoor (from 16 th July 2025)	Independent Director	-	-	-	13	9	No

Mr. Achal Kapoor was appointed as an Additional Director (Non-Executive, Independent) of the Company with effect from July 16, 2025, to hold office until the conclusion of the ensuing Annual General Meeting ("AGM"). Subsequently, at the Annual General Meeting held on September 30, 2025, the shareholders approved his appointment as a Non-Executive Independent Director of the Company.

c) Number of other Companies or Committees in which is a Director/Chairman

Sr. no	Name of Director	No. of other companies in which Director other than Davangere Sugar company Limited (including alternate/nominee Director)	No. of committees (other than Davangere Sugar company Limited) in which Member
1.	Mr. Shamanur S. Ganesh	3	NIL
2.	Mr. Abhijith Ganesh Shamanur	2	NIL
3.	Mrs. Swathi Shamanur	NIL	NIL
4.	Mrs. Hima Bindu Sagala	2	3
5.	Mrs. Vinita Dilip Modak	NIL	NIL
6.	Mr. Achal Kapoor	8	6

(d) In order to ensure effective functioning of the Company, the Board requires specialized knowledge, experience and expertise. Nomination and Remuneration Committee while considering appointment of any person as Director ensure that they possess the skills which are necessary for the efficient functioning of the Company and all other qualifications as prescribed under SEBI Listing Regulations and the Act and also such other skills, positive attributes etc. which may be beneficial in enhancing the growth of Company, which is then recommended to the Board for their approval.

Name of the director	Sugar Industry experience	Business Operations & Mgmt	Information Technology	Business Development &	Human Resource Management	Risk Management	Finance & Accounts	Corporate Governance, Ethics	Legal Expertise
Mr. S.S.Ganesh	√	√	√	√	√	√	√	√	√
Mr. Abhijith Ganesh Shamanur	√	√	√	√	√	√	√	√	√
Mrs. Swathi Shamanur	√	√	√	√	√	√	√	√	√
Mrs. Hima Bindu Sagala	√	√	√	√	√	√	√	√	√
Mr. Achal Kapoor	√	√	√	√	√	√	√	√	√
Mrs. Vinita Dilip Modak	√	√	√	√	√	√	√	√	√

(e) Declaration by the Independent Directors

Each Independent Director gives a certificate confirming that they meet the “independence criteria” as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI LODR Regulations. The Board has taken on record the declaration and confirmation submitted by the Independent Directors and after assessing the veracity of the same, the Board is of the opinion that the Independent Directors fulfill the conditions specified in the SEBI LODR Regulations and are independent of the management. These certificates have been placed on the website of the Company.

The Company has familiarization programme for Independent Non-Executive Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Non-Executive Directors during the period under review are available on the website of the Company at <https://davangeresugar.com/policies-and-codes/>

COMMITTEES OF THE BOARD:

The Board has currently four Committees namely - 1. Audit Committee, 2. Stakeholders’ Relationship Committee, 3. Corporate Social Responsibility Committee and 4. Nomination and Remuneration

Committee. The terms of reference of the Board Committees are in compliance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and are also reviewed by the Board from time to time. The role and composition of these Committees including the number of meetings held during the financial year and the related attendance are provided in the subsequent paragraphs.

I. AUDIT COMMITTEE: The Company has constituted Audit Committee in accordance with the provisions of law.

(a) Terms of Reference

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- Any other matter as may be specified.

(b) Composition, names of members and Chairperson

The Audit Committee was constituted with two Non-Executive Directors, including two Independent Directors, and the Compliance Officer acts as the Secretary to the Committee.

Sl. No.	Name of the Director	Position	Designation
1	Mrs. Hima Bindu Sagala	Chairperson	Non-Executive - Independent Director
2	Mr. Abhijith Ganesh Shamanur	Member	Executive Director
3	Mr. Achal Kapoor	Member	Non-Executive - Independent Director

(c) Meetings and Attendance during the year

Six meetings were held during the financial year ended 31st March, 2026 on 14th May, 2025, 14th August 2025, 08th September, 2025, 13th November, 2025, 10th February, 2026 and 10th March, 2026.

Sl.No.	Name of the Director	Number of Meetings held	Number of Meetings attended
1	Mrs. Hima Bindu Sagala	6	6
2	Mr. Abhijith Ganesh Shamanur	6	6

3	Mr. Achal Kapoor	6	5
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II. NOMINATION AND REMUNERATION COMMITTEE: The Company has constituted Nomination and Remuneration in accordance with the provisions of law.

a. Terms of Reference

- The Remuneration Committee recommends on remuneration package including pension rights and any compensation payment of the Managing Director to the Board for approval.
- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To recommend the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, etc.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

b. Composition, names of members and Chairperson

The Nomination and Remuneration Committee with three Non-Executive Directors, including two Independent Directors namely,

Sl.No.	Name of the Director	Position	Designation
1	Mrs. Hima Bindu Sagala	Chairman	Non-Executive - Independent Director
2	Mrs. Swathi Shamanur	Member	Non-Executive, Non-Independent Director
3	Mr. Achal Kapoor	Member	Non-Executive - Independent Director

(c) Six meetings were held during the financial year ended 31st March, 2026- 14th May, 2025, 16th June, 2025, 16th July, 2025, 14th August, 2025, 05th September, 2025 and 08th September, 2025.

Sl. No.	Name of the Director	Number of Meetings held	Number of Meetings Attended
1	Mrs. Hima Bindu Sagala	6	6

2	Mrs. Swathi Shamanur	6	6
3	Mr. Achal Kapoor	6	3

(d) Performance Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board, its Committees and the Directors was undertaken which included the evaluation of the Board as a whole, Board Committees and peer evaluation of the Directors. The performance of individual directors was evaluated on parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated.

(e) Succession planning

During the period under review, the Board and the NRC have discussed and reviewed Board composition and succession planning to ensure that the successors for key leadership roles are identified and their performance are also assessed. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

(f) Remuneration Policy

The policy of the Company on Directors' and Senior Managements' appointment and remuneration including criteria for determining their qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act and the SEBI Listing Regulations is adopted by the Board. We affirm that the remuneration paid to the Directors and the Senior Management is as per the terms laid out in the Nomination and Remuneration Policy of the Company. **STAKEHOLDERS' RELATIONSHIP COMMITTEE (TRANSFER & SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE):**

Stakeholders' Relationship Committee was constituted with one Non-Executive Director and two Independent Directors, the committee met once during the year 2025-26 on 10th November, 2025.

Sl. No	Name of the Director	Position	Designation
1	Mrs. Hima Bindu Sagala	Chairperson	Non-Executive - Independent Director
2	Mrs. Swathi Shamanur	Member	Non-Executive - Non-Independent Director
3	Mrs. Vinita Dilip Modak	Member	Non-Executive - Independent Director

Sl. No	Particulars	Remarks
1	Name & Designation of the Compliance Officer	Ms. Uma Singh, Company Secretary and Compliance Officer*
2	Number of Shareholders complaints received during the financial year	Nil
3	Number of complaints not solved to the satisfaction of shareholders	Not applicable
4	Number of pending share transfers	Nil

*Ms. Uma Singh was appointed as the Company Secretary and Compliance Officer of the Company with effect from 16th June, 2025. She resigned from the said position with effect from 15th May, 2026.

Mr. Vishwanath Patil was appointed as the Company Secretary and Compliance Officer of the Company with effect from 18th May, 2026.

III. COMMITTEE OF CORPORATE SOCIAL RESPONSIBILITY:

(a) Terms of Reference:

- (i) Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company,
- (ii) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities,
- (iii) Determine modalities of execution of such CSR projects, programs and activities,
- (iv) Undertake all necessary steps to implement the CSR activities,
- (v) Authorize and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors,
- (vi) Monitor the CSR activities in such manner as it deems fit,
- (vii) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company,
- (viii) To perform such functions as may be entrusted by the Board of Directors from time to time.

(b) Composition, names of members and Chairperson

Sl.No.	Name of the Director	Position	Designation
1	Mr. Achal Kapoor*	Chairman	Non-Executive - Independent Director

2	Mrs. Swathi Shamanur	Member	Non-Executive – Non-Independent Director
3	Mrs. Vinita Dilip Modak	Member	Non-Executive - Independent Director

b) The Committee met once during the year on November 10, 2025

Sl.No.	Name of the Director	Number of Meetings held	Number of Meetings Attended
1	Mr. Achal Kapoor	1	1
2	Mrs. Swathi Shamanur	1	1
3	Mrs. Vinita Dilip Modak	1	1

Particulars of senior management of the Company as on 31st March 2026:

Sl.No.	Name	Functional Head/ Area of responsibility
1	Revanasiddappa. M	General Manager (Sugar)
2	Prakash V.R	General Manager (Cane)
3	Devaraj .S	General Manager (Co-gen)
4	Anandan .P*	General Manager (Distillery Unit)

*Mr. Anandan Palaniappan has resigned from the position of General Manager – Distillery, Senior Managerial Personnel, with effect from the close of business hours on 14th August 2025. Subsequently, Mr. Sheshagiri Rao has been appointed as General Manager – Distillery and designated as Senior Management Personnel of the Company, with effect from 14th August 2025.

(i) Remuneration of Directors

(in Lacs)

Sl.No.	Name of the Director	Designation	Salary
1	Mr. Shamanur Shivashankarappa Ganesh	Managing Director	Nil
2	Mr. Abhijith Ganesh Shamanur	Executive Director	1.75 per month

(ii) General Body Meetings

(a) Location and time where last three AGMs were held

Location	Date	Time
• Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	30.09.2025	11:00 A.M. (IST)
• Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	30.09.2024	11.30 A.M. (IST)
• Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	29.08.2023	11.00 A.M. (IST)

(b) whether any special resolutions passed in the previous three annual general meetings; Yes

The details of the special resolutions passed in the previous three Annual General Meetings (AGM) are:

At the Annual General Meeting held on 30th September, 2025

1. Re-appointment of Ms. Vinita Dilip Modak (DIN: 10763274) as an Independent Director of the Company.
2. Re-appointment of Ms. Hima Bindu Sagala (DIN: 09520601) as an Independent Director of the Company.
3. To approve change in Designation and Remuneration of Mr. Abhijith Ganesh Shamanur (DIN: 03451918) from Non-Executive Director to Executive Director.
4. To approve the Revision in the Remuneration of Mr. Shamanur Shivashankarappa Ganesh (DIN: 00451383), Managing Director of the Company.
5. To approve the conversion of Loan into Equity Shares or Convertible Share Warrants.
6. Appointment of Mr. Achal Kapoor (DIN: 09150394) as an Independent Director of the Company.
7. Alteration of the Object Clause of the Memorandum of Association of the Company.
8. To approve availing of Loan(s) from Directors up to Rs.150 Crores, with an option to Convert the same into Equity Shares.

At the Annual General Meeting held on 30th September, 2024

1. Re-appointment of Mr. Shamanur Shivashankarappa Ganesh as the Managing Director of the Company.
2. Appointment of Ms. Vinita Dilip Modak as an Independent Director of the Company.
3. Appointment of Mrs. Hima Bindu Sagala as an Independent Director of the Company.

At the Annual General Meeting held on 29th August, 2023: Nil

(c) Whether Special Resolutions were put through Postal Ballot last year: No

(d) Persons who conducted the Postal Ballot exercise: Not applicable

(e) whether any special resolution is proposed to be conducted through postal ballot: Not applicable

(f) procedure for postal ballot: Not applicable

(iii) Means of Communication

(a)	Financial Results and other Communications	Quarterly & Annual Results are published in prominent daily newspapers viz. Indian Express and Nagarvani. The
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		results are also posted on the Company's website: https://davangeresugar.com/financials/ Advertisements relating to demat of Shares , AGM related compliances, etc. are published in Indian Express and Nagarvani.
(b)	News Releases	Official news releases that carry material information as per the Company's policy for determination of materiality of events or information, are sent to stock exchanges as well as displayed on the Company's website: www.davangeresugar.com .
(c)	Website	The Company's corporate website www.davangeresugar.com provides comprehensive information about its portfolio and the industry in which it operates. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report including Accounts of the Company are available in downloadable formats.
(d)	Filing with Stock Exchanges	Information to Stock Exchanges is being a filed on BSE and NSE through their online portals respectively.
(e)	Annual Report and Annual General Meeting	Annual Report is circulated to the members and all others like auditors and other stake holders. The Annual Report is e-mailed to all members who have registered their email ids with the Company and to those shareholders who request for the same. The Annual Report would also be made available on the website of the Company. The Chairman suitably responds to the queries raised by the shareholders during the AGM.
(f)	Management Discussion & Analysis	This forms a part of the Annual Report which is mailed to the shareholders of the Company.

(iv) General Shareholder Information

Sl.No.	Particulars	Remarks
(a)	AGM Date and Venue Time	The Annual General Meeting of the Company will be convened on Friday, 12 th September, 2026 at 11.00 a.m. at Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere -577004
(b)	Financial Year	01 st April, 2025 to 31 st March, 2026

	Annual General Meeting	12 th September, 2026															
(c)	Dividend Payment Date:	N.A.															
(d)	Listing of equity shares on Stock Exchanges:	The shares of the Company are listed on BSE Limited (BSE) and NSE Limited (NSE) The Company has paid the Listing Fees for the year 2026-27 to BSE and NSE.															
(e)	Registrar and Transfer Agents:	Integrated Registry Management Services Private Limited. CIN No: U74900TN2015PTC101466 Address: No. 30, Ramana Residency, 4th Cross, Sampige Road Malleswaram, Bangalore - 560003 Tel: +91-80-23460815-818 Fax: +91-80-2346081															
(f)	Share Transfer System:	Pursuant to SEBI notification dated 24th January 2022, requests for effecting transfer of securities in physical form, shall not be processed by the Company.															
(g)	Distribution of Shareholding as on 31 st March 2026:	Provided as under															
(h)	De-materialization of shares and liquidity:	The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form. The number of shares held in dematerialized and physical mode as on 31st March 2026 is as under: <table border="1"> <thead> <tr> <th>Issued Capital</th><th>No. of Shares Cap.</th><th>% of Total Issued</th></tr> </thead> <tbody> <tr> <td>CDSL</td><td>55,53,55,861</td><td>38.84%</td></tr> <tr> <td>NSDL</td><td>86,49,33,547</td><td>60.48%</td></tr> <tr> <td>Physical</td><td>97,01,390</td><td>0.68%</td></tr> <tr> <td>TOTAL</td><td>1,42,99,90,798</td><td>100.00</td></tr> </tbody> </table> Shareholders may dematerialize their shareholding by anyone of the Depositories namely NSDL and CDSL.	Issued Capital	No. of Shares Cap.	% of Total Issued	CDSL	55,53,55,861	38.84%	NSDL	86,49,33,547	60.48%	Physical	97,01,390	0.68%	TOTAL	1,42,99,90,798	100.00
Issued Capital	No. of Shares Cap.	% of Total Issued															
CDSL	55,53,55,861	38.84%															
NSDL	86,49,33,547	60.48%															
Physical	97,01,390	0.68%															
TOTAL	1,42,99,90,798	100.00															

(i)	Outstanding GDRs / ADRs / Warrants or any convertible instruments:	The company has not issued any GDRs/ADRs/Warrants or any convertible instruments.
(j)	Plant Locations:	Sugar Unit & Co-generation Unit Kukkuwada Village, Davangere Taluk & District, Karnataka State – 577 525
(k)	Address for Correspondence:	Davangere Sugar Company Limited, Kukkuwada Village, Davangere Taluk & District, Karnataka State- 577 525
(l)	Credit Rating:	The Company has not obtained any credit ratings during the financial year.

Distribution of Shareholding as on 31st March, 2026:

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	104867	60.1750	14574798	1.0992
501 - 1000	24817	14.2405	21253353	1.4862
1001 - 2000	17237	9.8909	26713310	1.8680
2001 - 3000	7386	4.2382	18976425	1.3270
3001 - 4000	3801	2.1810	13708595	0.9586
4001 - 5000	3824	2.1942	18230530	1.2748
5001 - 10000	6341	3.6386	48266225	3.3752
10001 and above	5997	3.4412	1268267562	88.6906
Total	174270	100.00	1429990798	100.00

Details of shares transferred to/ released from Suspense Escrow Demat account during the financial year ended 31st March 2026 are as under:

Particulars	No. of shareholders	No. of shares
aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	8455	88592730
number of shareholders who approached listed entity for	124	433740

transfer of shares from suspense account during the year;		
number of shareholders to whom shares were transferred from suspense account during the year;	124	433740
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	8331	88158990
that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	8331 yes	88158990 yes

Other Disclosures:**(a) Disclosures on materially significant related party transactions: -**

There were no 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.

(b) Details of non-compliances by the company, Penalties, Strictures imposed on the Company: - NIL**(c) VIGIL MECHANISM:**

The Company has a Whistle Blower Policy in place which provides whistle blowers an opportunity to raise concerns relating to reportable matters as defined in the policy.

The mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of whistle blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee. No complaints were received under this policy during the year.

The policy is available on the Company's website at davangeresugar.com/wp-content/uploads/2023/06/Whistleblower-Policy.pdf

(d) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS;

All mandatory requirements relating to Corporate Governance under the SEBI Listing Regulations have been appropriately complied with and the status of discretionary requirements is given below:

- i. The Board: The Company has an Executive Chairman, the requirement regarding Non-Executive Chairman is not applicable;
- ii. Shareholder Rights: The quarterly, half yearly and annual financial results are published in newspapers and also uploaded on the Company's website;
- iii. Modified Opinion(s) in Audit Report: The Auditor's opinion on the Financial Statements for financial year 2025-26 is unmodified;
- iv. Separate posts of Chairperson and CEO: Since the Company does not have a CEO, the requirement regarding separate posts of the Chairperson and CEO is not applicable;
- v. Reporting of Internal Auditor: "The Internal Auditor of the Company presents its reports to the Audit Committee and makes detailed presentations on the key findings and observations.
- vi. Independent Directors: A separate meeting of Independent Directors was held on February 10, 2026.

(e) SUBSIDIARY COMPANIES:

The Company presently do not have any subsidiary in terms of provisions of Companies Act, 2013 as on 31st March 2026 and therefore corresponding disclosures are not required to be made.

(f) RELATED PARTY TRANSACTIONS DURING THE PERIOD:

All related party transactions have been entered into in the Ordinary course of business and were placed periodically before the Audit Committee and the Board for their consideration and approvals. All transactions with the related parties or others were on arm's length basis. The Company does not have any material related party transactions on FY 2025-26. The policy on dealing with related party transaction can be viewed at [Related-Party-Transaction-Policy.pdf](#). The approval for Material RPTs has been placed before shareholders for FY 2025-26 for their approvals.

(g) DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

Commodities form a major part of business of the Company and hence commodity price risk is one of the important risks for the Company. The Company has a robust mechanism in place to protect the Company's interest from risks arising out of market volatility.

(h) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).

The Company has not raised any funds from preferential allotment or qualified institutions placement during the financial year 2025-26.

(i) CERTIFICATE FROM PRACTISING COMPANY SECRETARY FOR NON-DISQUALIFICATION OF DIRECTORS:

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

(j) TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY TO THE STATUTORY AUDITOR AS A STANDALONE ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART: Rs. 450000/-, out of pocket expenses Rs. 48,000/-

(k) DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Particulars	Number of Complaints
a. number of complaints filed during the financial year	NIL
b. number of complaints disposed of during the financial year	NIL
c. number of complaints pending as on end of the financial year	NIL

(l) DISCLOSURE OF ACCOUNTING TREATMENT:

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

(m) INSIDER TRADING:

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in line with amended SEBI (Prohibition of Insider Trading) Regulations, 2018 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The Company Secretary is responsible for the implementation of the code. All Board of Directors, designated employees and connected persons have been informed about the new policy and have affirmed the compliance with the code.

The policy is available at <https://davangeresugar.com/wp-content/uploads/2023/06/Insider-Trading-Policy.pdf>

(n) CODES AND POLICIES WEBLINK:

Details of various policies and codes required to be framed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are given on the website of the company, on weblink: <https://davangeresugar.com/policies-and-codes/>

(o) DETAILS OF MATERIAL SUBSIDIARIES.

The Company does not have any material subsidiaries as on 31st March, 2026.

(p) DECLARATION BY CEO/MD OFFICER PURSUANT TO SCHEDULE V CLAUSE (D) OF SEBI LODR: Attached as annexure to this report



**CODE OF BUSINESS CONDUCT AND ETHICS
(DECLARATION BY CEO/MD OFFICER PURSUANT TO SCHEDULE V CLAUSE (D) OF SEBI LODR)**

To
The Board of Directors,
Davangere Sugar Company Limited
Registered Office: Davangere – 577004
District Davangere, Karnataka State

Dear Sirs/Madam,

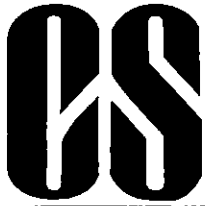
I do hereby certify that all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company.

This certificate is being given in compliance with the requirement of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**By the Order of Board
For Davangere Sugar Company Limited**

**Date: 14.08.2026
Place: Davangere**

**Sd/-
Shamanur S. Ganesh
Managing Director
DIN: 00451383**



PRASHANT D. SHEDBAL (B.com FCS)
PRACTICING COMPANY SECRETARY

Meenakshi North Avenue,
Flat No. 104, Maruthi Layout,
Sampigehalli Main Road,
Agrahara Village, Bangalore - 560 064.
Mobile : 90085 97347

E-mail : prashants1985@gmail.com | csprashant@fintel.in

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Davangere Sugar Company Limited
73/1, P.B. No. 312, Shamanur Road,
Davangere, Karnataka- 577004

We have examined the compliance of conditions of Corporate Governance **by DAVANGERE SUGAR COMPANY LIMITED** (hereinafter referred as "the Company") for the Financial Year ended March 31, 2026 as prescribed under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with 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 our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.



Prashant D. Shedbal
Practicing Company Secretary
Membership No. F8759
COP: 13983
UDIN: F008759H001145554
PR No. 8170/2026

Date: 14/08/2026
Place: Bangalore

ANNEXURE VIII

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Davangere Sugar Company Limited
73/1, P.B. No. 312, Shamanur Road, Davangere, Karnataka- 577004

We have examined the relevant registers, records, forms, returns, declarations and other disclosures received from the Directors of Davangere Sugar Company Limited, having CIN : L10721KA1970PLC001949 and having registered office situated at 73/1, P.B. No. 312, Shamanur Road, Davangere, Karnataka- 577004 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us & explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities:

Sr.No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Shamanur Shivashankarappa Ganesh	00451383	31/10/2000
2.	Mr. Abhijith Ganesh Shamanur	03451918	30/08/2019
3.	Ms. Swathi Shamanur	10596097	19/04/2024
4.	Ms. Hima Bindu Sagala	09520601	06/09/2024
5.	Ms. Vinita Dilip Modak	10763274	06/09/2024
6.	Mr. Achal Kapoor	09150394	16/07/2025

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code: P1996MH007500)

SD/-
Ashwini Inamdar
Senior Partner

FCS No: F 9409
CP No.: 11226

Place: Mumbai
Date: August 14, 2026

UDIN: F009409H001145511
PR No. 7281/2025

DAVANGERE SUGAR COMPANY LIMITED

KUKKUWADA-577525

CIN: L10721KA1970PLC001949



AUDIT REPORT FINANCIAL YEAR 2025-2026

REGISTERED OFFICE

**No. 73/1, P.B. No. 312,
Shamanur Road, Davangere-577004
Karnataka**

INDEPENDENT AUDITOR'S REPORT**Hiren J. Maru**
B.Com., F.C.A., DISA, DIRM**TO MEMBERS OF
DAVANGERE SUGAR COMPANY LIMITED****Report on the Indian Accounting Standards (Ind AS) Financial Statements****Opinion**

We have audited the accompanying financial statements of **Davangere Sugar Company Limited**, which comprise the Balance Sheet as at **31st March, 2026**, and the Statement of Profit and Loss (Including Other Comprehensive Income) and Cash Flow Statement and the statement of Changes in Equity for the period ended, and 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, 2026, the 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

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 except as mention below:



Sr No.	Key Audit Matters	Auditor's response
1.	Company has carried forward balance of Rs.332.89 lakhs Preliminary & Pre-operative expenses. This is related to Grain based Distillery Unit which is part of total Distillery Plant. The Grain based Distillery unit implementation is under progress. Company has incurred Rs. 2089 lakhs and the same is carried forward since two years. Hence Preliminary & Pre-operative expenses of Rs.332.89 lakhs is related to this Grain based distillery unit and since work is not completed, we have not capitalized the same. In the ensuing year the work may be completed and Preliminary & Pre-operative expenses of Rs.332.89 lakhs is to be capitalized.	Principal Audit Procedures: Our audit procedures included and were not limited to the following: -Assessed the management's position through discussions with the in-house operational expert. -Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of evaluation of Preliminary & Pre-operative expenses. -Discussed with the management on the developments in respect of: That distillery commissioning is completed, the Preliminary & Pre-operative expenses are to be capitalized to the components of the assets of Distillery unit based on the value of each component of asset. Out of Preliminary & Pre-operative expenses of Rs.1558 Lakhs, an amount of Rs.249 Lakhs is capitalized to Factory Building, an amount of Rs.0.40 lakhs is capitalized to Computers, an amount of Rs.0.08 lakhs is capitalized to Furniture & Fixtures, an amount of Rs. 0.06 lakhs is capitalized to the Office Equipment, and amount of Rs.973 lakhs is capitalized to Plant and Machineries, an amount of Rs.0.76 lakhs is capitalized to Software Package -AI (ERP) and an amount of Rs. 1.86 lakhs is capitalized to Vehicles and further a balance of Rs.330 lakhs is carried forward since there is a Capital working-in-progress to the extent of Rs. 2089 lakhs in the books of accounts relating to grain- based unit is carried forward. The Grain based distillery asset to the extent of value of Rs.2089 lakhs is



		shown in the NOTE -1 of Property, Plant and Equipments Schedule as on 31.03.2024 also 31.03.2025 and 31.03.2026. Company is planning to complete the installation of grain based unit with expanded capacity to the extent of additional 45 KLPD during the FY 2026-27.
2.	Determination of net realizable value of inventory of sugar as at the year ended March 31, 2026. As on March 31, 2026, the Company has inventory of sugar with the carrying value 2,926.99 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 size of the balance 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 the related notifications of the Government in determination of net realizable value.	Principal Audit Procedures : We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar. We considered various factors including the actual selling price prevailing around and subsequent to the year-end minimum selling price & monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole. 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.

Information Other than the 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, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility for the 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 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 the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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 section 143(11) of the Act, we give in "Annexure A", a statement on the matter specified in the paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Companies Act, 2013, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief where 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 appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit and Loss including Other Comprehensive Income Statement of Cash Flow and Statement of Changes of Equity dealt with this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Financial Statement comply with the Accounting Standards specified under Section 133 of Act, read with relevant rule issued thereunder.
 - e. On the basis of written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, 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 operating effectiveness of such controls, referred to our separate report in "Annexure B".
 - 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note (vii) of Annexure - A to the financial statements

(b) The Company did not have any long-term and derivative contracts as at March 31, 2026.

(c) There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

(d) The management has;

(i) represented that, to the best of its knowledge and belief as disclosed in the Note No. 36 to the financial statements, no funds 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) represented, that, to the best of its knowledge and belief as disclosed in the Note No. 37 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:



- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material mis-statement.

(e) The company has not neither declared nor paid any dividend during the year under Section 123 of the Act.

(f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, The Company has used accounting software "ERP - AISUGAR" for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the period for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For D G M S & Co.,
Chartered Accountants



Hiren J. Maru

Partner

M. No. 115279

FRN: 0112187W

UDIN: 26115279LUXXOD7778



Place: Mumbai
Date: 29-05-2026

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENT OF DAVANGERE SUGAR COMPANY LIMITED FOR
THE YEAR ENDED 31ST MARCH 2026**

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

(i) Property, Plant & Equipment and Intangible Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- b) The Company has maintained proper records showing full particulars of intangible assets.
- c) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; Any material discrepancies were noticed on such verification and if so, the same have been properly dealt with in the books of account.
- d) According to the information and explanation given to us the title deeds of all the 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 are held in the name of the company.
- 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 thereunder.

(ii) Inventory and working capital:

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties. Confirmations of such stocks with third parties have been obtained by the Company in most of the cases. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.



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- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned/renewal working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) Investments, any guarantee or security or advances or loans given:

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security but granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year as mention below:

The Company has not provided any loans or advances in the nature of loans. But company has extended Corporate Guarantee against the H&T loans sanctioned to the individual contractors for harvesting and transportation of sugarcane to the factory gate. The CG is extended to the extent of Rs.17 crores to Canara Bank, and Rs.8.00 crores to State Bank of India, Davangere. Further, Company has given Bank Guarantee of Rs.6.80 crores in favour of OFB Tech Pvt Ltd and Rs. 7.50 Crores to Mizuho Capsave Finance Pvt Ltd to secure suppliers of raw materials and Rs.1.76 crore to the OMCs (Oil Marketing Companies) against the supply of Ethanol. Except these, company has not extended any kind of guarantee to any other entity during the year.

1. In our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;
2. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation.
3. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
4. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
5. 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 during the year. Hence, reporting under clause 3(iii)(6) is not applicable.

(iv) Loan to directors:

- a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any



guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) Deposits:

- a) The company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any relevant provisions of the 2013 act and the rules framed there under to the extent notified.

(vi) Maintenance of Cost Records:

- a) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) Statutory Dues:

- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, GST, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31/03/26 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, GST, excise duty and cess which have not been deposited on account of any dispute except the following.

Name of Department	Nature of Dues	Amount in Lacs	Year of Demand	Forum where dispute is pending
The customs Act 1944	customs duty demand on import	Customs Duty liability Rs. 201.64 Lakhs and company has paid Rs. 175.00 Lakhs as advance	2014	Before the Supreme Court-Hearing taken up once. But adjourned on the request of the Department Advocate. But, still not taken up for hearing. Further, it may take six months.



The customs Act 1944	customs duty demand on import	122.30	2014	Before the CESTAT Bangalore – proceedings are pending. It may take some more time for hearing of the case. It may take further one year to decide the case.
Indian Income Tax Act, 1961	Stock difference of Rs.2,06,88,995/- at the time of survey on 26.07.2016	Not quantified	AY 2017-18	Case decided in company favour. Further the Income tax department has filed petition before ITAT challenging the dismissal order. As per the CIT (appeal) order liability is nil. The case is pending before ITAT on account of filing appeal by the department which is going to be squashed, the hearing is fixed on 15.06.2026.
Commissioner of Central Tax, Central Excise Act and Service Tax, Bengaluru	Excise Duty on exempted turnover on sale of power	Rs.33.25 Rs.158.46	2024	Case is decided in favor of the company. The entire demand is squashed. Order copy is enclosed.
GST Audit Order dated 27.02.2025 passed by the Assistant Commissioner of Commercial Taxes (Audit-5), Davangere.	GST Input Credit was disallowed and GST levied on Corporate Guaranty extended by the company in favor of farmer contractor	Rs.57.95	2025	The case is pending before the JCIT(Appeals) Davangere. One hearing is completed, we get the relief up to Rs.48.00 Lakhs as per our argument with JCIT and agreed to allow. The Balance tax of about Rs.9.95 lakhs may be the balance liability.

31.03.2025

Name of the Authority	Nature of Dues	Amount (In Lacs)	Year of Demand	Forum were dispute is pending
The customs Act 1944	Customs duty demanded on import	77.04	2014	Supreme court. Proceedings have been commenced.
The customs Act 1944	Customs duty demanded on import	122.30	2014	CESTAT Bengaluru



Indian Income Tax Act, 1961	Stock difference of Rs.2,06,88,995/- at the time of survey on 26.07.2016	Not quantified	AY 2017-18	The Appeal was filed before The Commissioner of Income Tax office (Appeals)-11 Bangalore. Now the Order is passed by the Hon'ble CIT Appeals in favour of the company allowing our claim of error in estimation of value of the stock by the officers during the search and seizure conducted in July 2017 Order copy enclosed
Commissioner of Central Tax, Central Excise Act and Service Tax, Bengaluru	Excise Duty on exempted turnover on sale of power	Rs.33.25 Rs.158.46	2024	Before the Joint Commissioner of Central Tax, North West Commissionerate, Bengaluru – proceedings yet to start
GST Audit Order dated 27.02.2025 passed by the Assistant Commissioner of Commercial Taxes (Audit-5), Davangere	GST Input Credit was disallowed and GST levied on Corporate Guaranty extended by the company in favor of farmer contractor	Rs.57.95	2025	Company is filling Appeal before the GST Appellate Authority before the end of June 2025

(viii) Disclosure of Undisclosed Transactions:

- a) There According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) Loans or Other Borrowings:

- a) Based on our audit procedures and according to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.



- d) 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) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) Money Raised by IPOs, FPOs:

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or convertible debentures (fully or partly or optionally) or made any private placement or further issue of share capital like IPO.s FPO.s or Rights Issue.
- c) Rights Issue of upto 48,92,39,202 equity shares of face value ₹ 1/- each ("rights equity shares") of our company for cash at a price of ₹ 3.05 per equity share (including a share premium of ₹ 2.05 per equity share) (the "issue price"), aggregating upto ₹ 14,921.80 lakhs on a rights basis to the existing equity shareholders of our company in the ratio of 13 rights equity shares for every 25 fully paid-up equity share(s) held by the existing equity shareholders on the record date, that is on august 6, 2025

(xi) Fraud:

- a) 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, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) Company has not committed any offence during the year under audit, under sub-section (12) of section 143 of the Companies Act and filing of Form ADT-4 as prescribed under rule 13 of Companies (Audit an and Auditors) Rules, 2014 with the Central Government, is not applicable.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.



(xii) Nidhi Company:

- a) The Company is not a Nidhi Company and hence reporting under Para 3 of clause (xii) of the Order is not applicable.

(xiii) Related Party Transactions:

- a) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind-AS.

(xiv) Internal Audit System:

- a) In our opinion 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.

(xv) Non-cash Transactions:

- a) 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 any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) Registration under section 45-IA of RBI Act, 1934:

- a) In our opinion, the Company is not required to be registered under section 45-IA 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) In our opinion, there is no 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) Cash losses:

- a) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of statutory auditors:

- a) There has been no resignation of the statutory auditors of the Company during the year.



(xix) Material uncertainty on meeting liabilities:

- a) 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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) Compliance of CSR:

- a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer of Fund specified in Schedule VII to the Companies Act or special account in compliance with provision of sub-section (6) of section 135 of said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.

(xxi) Qualifications Reporting In Group Companies:

- a) In our opinion and according to the information and explanations given to us, company does not have any subsidiaries, associates or joint ventures, so reporting under clause 3(xxi) of the Order is not applicable for the year.

Place: Mumbai
Date: 29-05-2026

For D G M S & Co.,
Chartered Accountants



Hiren J. Maru
Partner
M. No. 115279
FRN: 0112187W
UDIN: 26115279LUXXOD7778



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE
FINANCIAL STATEMENT OF DAVANGERE SUGAR COMPANY LIMITED FOR THE
YEAR ENDED 31ST MARCH 2026**

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 **DAVANGERE SUGAR COMPANY LIMITED**. ('the Company') as of 31st March, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

We have audited the internal financial control with reference to financial statement of **DAVANGERE SUGAR COMPANY LIMITED**. ('The Company') as of **31st March 2026** in conjunction with our audit of the financial statement of the company at and for the year ended on that date.

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 March 31, 2026, based on the criteria for internal financial control over financial reporting 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 ICAI.

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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 and the Standards on Auditing, issued by the 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained 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:

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. 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
- c. 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.

Place: Mumbai
Date: 29-05-2026

For D G M S & Co.,
Chartered Accountants



Hiren J. Maru
Partner
M. No. 115279
FRN: 0112187W
UDIN: 26115279LUXXOD7778



DAVANGERE SUGAR COMPANY LIMITED

KUKKUWADA-577525

BALANCE SHEET AS AT 31.03.2026

CIN : L10721KA1970PLC001949

(All Figures in LAKHS)

PARTICULARS	Note No.	AS AT 31.03.2026	AS AT 31.03.2025
		Total	Total
I ASSETS			
A) NON -CURRENT ASSETS			
a) Property , Plant and Equipments	1	33,680.37	34,939.71
b) Intangible Assets		1.46	1.46
c) Financial Assets			
i) Investments	2	538.76	461.78
ii) Loans	3	-	-
d) Other Non Current assets:	4	1,987.88	1,987.88
B) CURRENT ASSETS			
a) Inventories	5	21,045.22	14,452.95
b) Financial Assets			
i) Trade Receivables	6	3,500.95	2,871.28
ii) Cash and cash equivalents	7	656.70	338.20
iii) Loans and advances	8	22,523.92	19,203.67
TOTAL		83,935.26	74,256.93
I EQUITY AND LIABILITIES			
A) EQUITY			
a) Share Capital	9	14,299.91	9,408.45
b) Other equity	10	36,181.44	25,573.52
Total Equity		50,481.34	34,981.97
B) LIABILITIES :			
1) NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	11	3,249.61	4,738.10
ii) Deferred Tax Liability	12	148.91	140.15
iii) Other Long Term Liabilities	13	5,395.54	8,575.20
iv) Provisions	14	367.86	
2) CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	15	21,754.84	22,336.83
ii) Trade Payables	16		
- Dues of micro enterprises and small enterprises			
- Dues of Creditor other than micro enterprises and smal enterprises		1,570.81	2,815.24
iii) Other Liabilities	17	960.45	663.93
iv) Provisions	18	5.90	5.50
TOTAL EQUITY AND LIABILITIES		83,935.26	74,256.93

For D G M S & CO
Chartered Accountants

Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 29.05.2026
Place: MUMBAI
UDIN: 26115279LUXXOD7778



Abhijith G Shamanur
Executive Director
[DIN -03451918]

Onkarappa P
Chief Financial Officer

Ganesh S Shamanur
Managing Director
[DIN - 0045183]

Vishwanath Patil
Compliance Officer



DAVANGERE SUGAR COMPANY LIMITED

KUKKUWADA -577525

PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2026

CIN : L10721KA1970PLC001949

(All Figures in LAKHS)

PARTICULARS		Note No.	AS AT 31.03.2026 Total	AS AT 31.03.2025 Total
I	REVENUE FROM OPERATIONS (GROSS)	19	23,877.30	21,498.53
II	Other Income	20	232.59	177.07
III	Total Income		24,109.89	21,675.60
IV	EXPENSES			
	a) Cost of materials	21	12,224.93	13,349.13
	b) Power and fuel	21	1,606.67	1,006.22
	c) Purchase of Traded Goods	22	2,890.73	-
	d) Changes in inventories of finished goods and work in progress	23	(630.42)	(1,441.64)
	e) Employees Benefit Expenses	24	796.79	835.79
	f) Interest on Borrowings	25	2,601.48	2,672.10
	g) Bank Charges	25	98.09	147.25
	h) Depreciation	1	1,270.25	1,269.90
	i) Other Expenses	26	2,152.45	2,550.93
	TOTAL EXPENSES		23,010.98	20,389.69
V	PROFIT / LOSS BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		1,098.92	1,285.90
VI	Exceptional Items		-	-
VII	PROFIT / LOSS BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		1,098.92	1,285.90
VIII	Extraordinary Items		-	-
IX	PROFIT / LOSS BEFORE TAX (VII-VIII)		1,098.92	1,285.90
X	TAX EXPENSES			
	a) Minimum Alternative Tax Expense		239.49	224.67
	b) Deferred Tax		8.76	(32.48)
	TOTAL TAX EXPENSES		248.25	192.19
XI	PROFIT / LOSS FOR THE PERIOD (IX-X)		850.66	1,093.71
XII	OTHER COMPREHENSIVE INCOME			
	A (i) Accrual gain/Loss on Gratuity actuarial valuation treated OCI (as per actuarial valuation report)		(110.07)	(10.60)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		(110.07)	-
XIII	TOTAL COMPREHENSIVE INCOME FOR THE YEAR - (XI-XII)		740.60	1,083.11
XIV	i) Items that will be classified to profit and loss ii) Income tax effect on items that will be classified to profit and loss Other comprehensive income for the period /year Total comprehensive income for the year (Net of Tax)		740.60	1,083.11
XV	Earnings per Share (Basic and Diluted)Rs.		0.06	0.12

For D G M S & CO
Chartered Accountants

Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 29.05.2025
Place: MUMBAI
UDIN: 26115279LUXXOD7778



Abhijith G Shamanur
Executive Director
[DIN -03451918]

Onkarappa P
Chief Financial Officer

Ganesh S Shamanur
Managing Director
[DIN - 0045183]

Vishwanath Patil
Compliance Officer



DAVANGERE SUGAR COMPANY LTD
KUKKUWADA

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2026

CIN : L10721KA1970PLC001949

(All Figures in LAKHS)

Sl.No.	Particulars	As at 31.03.2026	As at 31.03.2025
A	Cash flow from Operating activities:		
	Net profit after tax	740.60	1,083.11
	Other comprehensive loss	110.07	10.60
	Adjustment for provision for taxation	239.49	192.19
		1,090.16	1,285.90
	Adjustment for depreciation	1,270.25	1,269.90
	Operating profit before working capital adjustment	2,360.40	2,555.81
	Adjustment for:		
	Inventories	(6,592.27)	(2,263.25)
	Sundry Debtors & trade receivables	(629.67)	(1,039.38)
	Trade payables	139.40	631.97
	Deferred Tax	8.76	(32.48)
	Others	-	(310.07)
	Net cash flow from operating activities	(7,073.78)	(3,013.21)
B	Cash flow from Investing Activities:		
	Sale of Fixed Assets	-	-
	Purchase of Fixed Assets	(20.35)	(309.15)
	From capital work in progress	-	-
	From Investments	(76.98)	(6.00)
	Net Cash flow from Investing activities	(97.33)	(315.15)
C	Cash flow from Financing activities:		
	Proceeds from share allotment	4,891.46	-
	Proceeds from share premium & Capital reserve	9,527.19	-
	Proceeds from working capital loan	-	-
	Proceeds from Short Term Borrowings	(581.99)	2,772.05
	Proceeds from Long Term Borrowings	(1,488.49)	(2,110.98)
	Proceeds from Other Long Term Liabilities	-	-
	Proceeds from Long Term Loans and Advances	-	-
	Proceeds from Other Current Liabilities	296.52	(30.52)
	Proceeds from Short Term Provisions	368.26	2.50
	Proceeds from Short Term Loans and Advances	(3,320.25)	(3,749.06)
	Proceeds from unsecured loan	(4,563.50)	3,884.59
	Net cash flow from financing activity	5,129.20	768.58
	Net Cash and Cash Equivalents (A+B+C)	318.49	(3.97)
	Cash and Cash Equivalents at the beginning of the year	338.20	342.17
	Cash and Cash Equivalents at the end of the year	656.69	338.20

For D G M S & CO
Chartered Accountants

Hiren J Maru
Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 29.05.2026
Place: MUMBAI
UDIN: 26115279LUXXOD7778



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Vishwanath Patil
Compliance Officer



DAVANGERE SUGAR COMPANY LIMITED

KUKKUWADA -577525
CIN : L10721KA1970PLC001949

Statement of Changes in Equity for the year ended 31 March 2026

A. Equity Share Capital

Particulars	Year ended 31 March 2026	Amount in Rs. Lakhs Year ended 31 March 2025
Balance as at beginning of the year		
Changes in equity share capital during the year:		
- Issue of share capital during the year	9,408.45	9,408.45
Balance at the end of the year	4,891.46	-
	14,299.91	9,408.45

B. Other Equity

Particulars	Reserves and surplus					Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Revaluation Reserve	General Reserve	
Balance as at 01 April 2023	1,209.47	4.09	5,043.30	15,477.55	59.96	21,794.37
Profit for the year	-	-	2,795.55	-	-	2,795.55
Other comprehensive (loss)/income, net of tax	-	-	-	-	-	-
Total comprehensive income for the year ended 31 March 2024	1,209.47	4.09	7,838.85	15,477.55	59.96	24,589.92
Balance as at 31 March 2024	-	-	1,083.10 (88.90)	-	-	1,083.10 (88.90)
Profit for the year	-	-	983.60	-	-	983.60
Other comprehensive (loss)/income, net of tax	-	-	-	-	-	-
Total comprehensive income for the year ended 31 March 2025	1,209.47	4.09	8,822.45	15,477.55	59.96	25,573.52
Balance as at 31 March 2025	-	-	850.66	-	-	850.66
Profit for the year	-	-	(110.07)	-	-	(110.07)
Prior period taxes written off	9,867.31	-	-	-	-	9,867.31
Other comprehensive (loss)/income, net of tax	-	-	-	-	-	-
Add: Securities Premium Reserves	9,867.31	-	740.60	-	-	10,607.91
Total comprehensive income for the year ended 31 March 2025	11,076.78	4.09	9,563.05	15,477.55	59.96	36,181.44
Balance as at 31 March 2026	-	-	-	-	-	-

Note : In accordance with the notification issued by the Ministry of Corporate Affairs dated 24 March 2021, re-measurement of defined benefit plans shall be recognised as a part of retained earnings. Accordingly, re-measurement of defined benefit plans has been disclosed as part of retained earnings.

See accompanying notes forming part of the financial statements



For D G M S & CO
Chartered Accountants

Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 29.05.2025
Place: Mumbai
UDIN: 26115279LUXX0D7778

Abhijith

Abhijith G Shananur
Executive Director
[DIN - 03451919]

Ganesh

Ganesh S Shananur
Managing Director
[DIN - 0045183]

Onkarappa P

Onkarappa P
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Vishwanath Patil

Vishwanath Patil
Compliance Officer



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: - 1 Significant accounting policies:

1.0 Corporate Information

DAVANGERE SUGAR COMPANY LTD is a Limited Company, incorporated under the provisions of Companies Act, 1956 and having CIN: L37100KA1970PLC001949. The Company is engaged in the business of Sugar Manufacturing (By-product Molasses) from Sugarcane and Co-generation of Electricity Power. The Registered office of the company is situated at 73/1, POST BOX NO.312, SHAMANUR ROAD, DAVANGERE- 577004 (KARNATAKA STATE).

1.1 Basis of preparation of financial statements

a. Accounting Convention: -

The financial statements have been prepared in accordance with Section 133 of Companies Act, 2013, i.e. Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015. The Ind AS Financial Statements are prepared on historical cost convention, except in case of certain financial instruments which are recognized at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Part I of Schedule II to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

b. Functional and Presentation Currency

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

c. Compliance with Ind AS

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

d. Use of Estimates and Judgments

The preparation of the Ind AS financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Ind AS financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the Ind AS financial statements. The actual amounts may differ from



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

the estimates used in the preparation of the Ind AS financial statements and the difference between actual results and the estimates are recognized in the period in which the results are known/materialize.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected.

Particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial Statement are as below:

1. Evaluation of recoverability of deferred tax assets/Liabilities;
2. Useful lives of property, plant and equipment and intangible assets;
3. Provisions and Contingencies;
4. Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions;
5. Recognition of Deferred Tax Assets/Liabilities
6. Valuation of Financial Instruments;

e. Current versus Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset / liability is treated as current when it is:-

- i. Expected to be realized or intended to be sold or consumed or settled in normal operating cycle.
- ii. Held primarily for the purpose of trading.
- iii. Expected to be realized / settled within twelve months after the reporting period, or,
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- v. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

1.2 ACCOUNTING POLICIES:

(A) Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is provided on the Written Down Value method (W.D.V.) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

An item of property, plant and equipment is derecognized on disposal. Any gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit or loss.

(B) Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization, and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

The amortisation period for intangible assets with finite useful lives is reviewed at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Product development expenditure is measured at cost less accumulated amortization and impairment, if any. Amortization is not recorded on product in progress until development is complete.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

(C) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(D) Leases

As a lessee

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As Lessor:

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on contractual terms & substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

(E) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Managing Director as CODM who is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

The Company is operating in various business segments, such as Sugar, Co-Generation, Aviation, and Others, Hence Segment reporting is applicable and appropriate disclosures have been made in significant notes to accounting policies.

(F) Statement of Cashflow

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

(G) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three month that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(H) Inventories

Inventories includes raw material, semi-finished goods, stock -in -trade, finished goods, stores & spares, consumables, packing materials, goods for resale and material in transit are valued at lower of cost and net

Raw Material and Components - Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. value Cost is determined on First-In-First-Out basis.

Finished/Semi-Finished Goods - Cost includes cost of direct material, labor, other direct cost (Including variable costs) and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on First-In-First-Out basis.

Stock-in-trade - Cost Includes cost of purchase and other costs incurred in bringing the inventories to their present location and conditions. Cost is determined on First-In-First-Out basis.

Stores, Spare Parts, Consumables, Packing Materials etc. - Cost is determined on First-In-First-Out basis.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

Goods for Resale – valuation Cost is determined on First-In-First-Out basis.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Adequate allowance is made for obsolete and slow-moving items.

(I) Foreign Currency Transactions

i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

ii) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

Any subsequent events occurring after the Balance Sheet date up to the date of the approval of the financial statement of the Company by the board of directors on **29th May, 2026** have been considered, disclosed and adjusted, if changes or event are material in nature wherever applicable, as per the requirement of Ind AS.

(J) Income Taxes

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

I. Current tax: -

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax:-

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.



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Deferred tax asset is recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

(K) Provisions and Contingencies

Provisions:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are discounted to its present value as appropriate.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

(L) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied.

(M) Other income:



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Interest: Interest income is calculated on effective interest rate, but recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

(N) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(O) Earnings per share (EPS):

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of additional equity shares that would have been outstanding are considered assuming the conversion of all dilutive potential equity shares. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

(P) Employee benefits

i. Provident Fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense when an employee renders the related service.

ii. Gratuity



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Gratuity is in the nature of a defined benefit plan. Provision for gratuity is calculated on the basis of actuarial valuations carried out at balance sheet date and is charged to the statement of profit and loss. The actuarial valuation is performed using the projected unit credit method. Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(Q) Fair Value Measurement:

The Company measures financial instruments such as investments in quoted share, certain other investments etc. 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 at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

(R) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables and other specific assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at



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amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- i. The entity's business model for managing the financial assets and
- ii. The contractual cash flow characteristics of the financial asset.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities:

Initial Recognition and Subsequent Measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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. Changes in the amortized value of liability are recorded as finance cost.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(S) Global Health Pandemic COVID - 19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant slow disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and based on its review and current indicators for future economic conditions, there is no significant impact on its financial statements.

1.3 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:



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i. Ind AS 16 – Proceeds before intended use

The amendments specify that the excess of net sale proceeds of items produced while the Company is preparing the asset for its intended use over its cost of testing, if any, shall not be recognized in the profit or loss but shall be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

ii. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

iii. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



NOTES TO FINANCIAL STATEMENTS

NOTE 1 : NON - CURRENT ASSETS

	AS AT 31.03.2026	AS AT 31.03.2025
A Property, Plant And Equipments Schedule 'Annexed'	33,681.52	34,939.71
B Intangible Assets	0.31	1.46
TOTAL	33,681.83	34,941.17

NOTE 2 : NON - CURRENT INVESTMENTS

	AS AT 31.03.2026	AS AT 31.03.2025
A NON-TRADE (QUOTED- AT COST)	-	-
B NON-TRADE (UN QUOTED- AT COST)	-	-
I IN GOVERNMENT SECURITIES:	0.20	0.20
II INVESTMENTS		
a) Shares with DSCL Employee's Co-operative Society (500 Shares of Rs.10/- each)	0.05	0.05
b) Shares with Bapuji Co-operative Bank Limited, (200 Shares of Rs.50/- each)	0.10	0.10
c) Shares with Davangere Harihar Urban Co-operative Bank Limited, (1001 Shares of Rs.1000/- each)	10.01	10.01
d) Shares with Chitradurga District Co-operative Bank Limited, (1022800 Shares of Rs.50/- each)	511.40	451.40
e) Shares with SVC Bank Limited (1700 Shares of Rs.100 each)	17.00	0.03
III OTHER INVESTMENTS	-	-
TOTAL	538.76	461.78

NOTE 3 : LOANS AND ADVANCES

	AS AT 31.03.2026	AS AT 31.03.2025
ADVANCES:		
Advance against Harvesting & Transportation with roll over facility	-	-
TOTAL	-	-

NOTE 4 : OTHER NON CURRENT ASSETS:

	AS AT 31.03.2026	AS AT 31.03.2025
I M A T Credit Entitlement	1,987.88	1,987.88
TOTAL	1,987.88	1,987.88

NOTE 5 : INVENTORIES

	AS AT 31.03.2026	AS AT 31.03.2025
A FINISHED GOODS:		
I Sugar	2,926.99	3,265.37
II Molasses	2,299.02	3,031.52
III Anhydrous Ethanol Finished Goods Ltrs	1,595.75	424.45
IV Extra Neutral Alcohol (ENA) Ltrs	530.00	-
V Stock Of Bagasse	-	-
B RAW MATERIALS		
I Maize	6,134.60	2,570.18
II Bagasse	6,475.53	3,124.85
III Coal	-	-
C STORES, SPARES, AND COMPONENTS	1,083.33	2,036.57
TOTAL	21,045.22	14,452.95

NOTE 6 : TRADE RECEIVABLES:

	AS AT 31.03.2026	AS AT 31.03.2025
A Trade Receivables- Unsecured, Considered good	3,540.03	2,882.31
Trade Receivables which have significant increase in Credit Risk	-	-
Less : Allowance for expected credit loss	39.08	11.04
Total	3,500.95	2,871.27
Of the above, trade receivables from:		
- Related Parties	-	-
- Others	3,500.95	-
TOTAL	3,500.95	2,871.27
B The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) Model. The reconciliation of ECL is as follows:		
Particulars	AS AT 31.03.2026	AS AT 31.03.2025
Balance at beginning of the year	11.04	-
Movement in credit loss allowance on trade receivables calculated at expected credit losses/additional provision	28.59	11.04
Amounts written off during the year as uncollectible	-	-
Amounts recovered during the year	0.55	-
Balance at end of the year	39.08	11.04
TOTAL	39.08	11.04



The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the receivables (other than related parties) from the date of the invoice and the rates are given in the provision matrix as per which trade receivables aged (from date of invoice) beyond 3 years are provided entirely, age of 2 to 3 years is provided 50%, age of 1 to 2 years at 25% and no provision is made upto 1 year. Additional provision, where required, has been made based on specific debtors and other conditions impacting recoverability. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables is adequate.

There are no trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables due from firms or private companies respectively in which any director is a director, partner or member, except as disclosed above.

Trade receivables ageing schedule:

Particulars	Outstanding for following periods from due date of payment						Amount in Rs. Lakhs
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
AS AT 31.03.2026							
(i) Undisputed Trade receivables - considered good	-	1,518.16	1,918.80	54.12	9.86	-	3,500.95
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	1.82	9.21	28.05	39.08
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	1,518.16	1,918.80	55.94	19.07	28.05	3,540.03

Particulars	Outstanding for following periods from due date of payment						Amount in Rs. Lakhs
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
AS AT 31.03.2025							
(i) Undisputed Trade receivables - considered good	-	2,226.94	629.47	5.46	9.22	0.17	2,871.28
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	1.82	9.21	-	11.03
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	2,226.94	629.47	7.28	18.43	0.17	2,882.31

NOTE 7 : CASH AND CASH EQUIVALENTS

	AS AT 31.03.2026	AS AT 31.03.2025
A BALANCE WITH BANKS		
I In Current Account with Schedule Banks	(65.45)	149.14
II In Current Account with Non Schedule Banks	6.57	10.98
B Cash on hand	13.34	11.29
C Bank deposit with maturity of less than 3 months	702.24	166.79
TOTAL	656.70	338.20

NOTE 8 : SHORT TERM LOANS AND ADVANCES

	AS AT 31.03.2026	AS AT 31.03.2025
I Sundry Deposit (Refer a)	4.60	52.60
II In Deposit with Central Excise/ Customs Department		
a Differential Customs Duty Paid on Helicopter (disputed)	-	-
b Advance Excise Duty on Sugar / Molasses/ others	444.69	546.77
III Advances recoverable in cash or in kind (Refer b)	21,741.74	18,271.41
IV Preliminary & Preoperative Expenses	332.89	332.89
TOTAL	22,523.92	19,203.67

a Sundry Deposit		
Particulars	AS AT 31.03.2026	AS AT 31.03.2025
Security Deposit :		
-Rental	1.05	1.05
-Others Deposits	3.55	51.55
Total	4.60	52.60



b Loans and Advances		
Particulars	AS AT 31.03.2026	AS AT 31.03.2025
Cane Development Investment	-	-
Advance Against Fertilizers, Seeds & Pesticides	-	-
Advance Sugar Cane Seeds Supply	-	-
Advance To Farmers Against Cane Supplies	-	-
Input Loan (Pesticides)	(8.96)	-
Miscellaneous Advance To Others	2.59	2.15
Union Fee	2.27	1.77
Dscl Employees Co-Op Society	(0.06)	(0.05)
Interest Recoverable/Receivable From Term Deposits	0.67	0.67
Sundry Creditors-For Others	9.31	4.42
Late Crushing Incentives Receivable	-	-
Miscellaneous Advance To Others (Csa)	-	-
Miscellaneous Advance To Others (Cane)	116.50	104.51
Input Loan 2019-20	0.65	0.65
Input Loan 18-19	-	0.10
Input Loan 20-21	-	4.02
Input Loan 21-22	-	0.36
Input Loan 22-23	-	4.05
Input Loan 23-24	3.85	4.26
Input Loan 24-25	-	4.34
Input Loan 25-26	-	60.01
Existing Farmers Seeds Supply	98.84	-
New Farmers Cane Advance	4,186.34	6,241.29
Existing Farmers Cane Advance	1,928.09	2,751.42
H & T Contractors Advance	5,270.23	2,654.00
New Farmers Seeds Supply	4,093.29	2,113.08
Prepaid Insurance	4,842.97	3,135.56
Prepaid Advances	54.67	60.91
H & T Materials Recoverable	-	1.71
Security Deposit For Ethanol Sale	-	(0.25)
Advance Against Cane Bills	58.73	37.50
Income Tax Refund Due (Ay 2014-15)	-	166.85
Tds On Income Received	-	-
Miscellaneous Advance Staff	6.12	23.41
Cane Seed Cost Recoverable	3.64	1.38
Advance Income Tax	-	-
Sundry Deposits With Others	0.01	0.01
Rent Receivable	0.50	0.50
Cane Seeds Advance	-	-
Advance Against Harvesting & Transportation	0.23	0.23
Interest Subsidy Recoverable	-	-
Ethanol Subsidy Receivable From Karnataka State Govt	801.45	625.32
Aviation Division Tds Setteled	180.15	257.24
Gratuity Fund	-	9.21
Prepaid Professional & Consultancy Charges	1.30	0.78
Prepaid Annual Listing Fee With Bse	3.63	-
Prepaid Annual Listing Fee With Nse	0.17	-
Prepaid Issuer Fees Cdsl	0.18	-
Prepaid Bank Charges	2.78	-
Prepaid Rent,Rates And Taxes	64.96	-
Prepaid Annual Custody Fees Fy 25-26 Nsdl	9.22	-
Rights Issue Allotment Account	0.49	-
Short Supply Subsidy Recoverable	-	-
Prepaid Subscription And Membership Fee	-	-
Deaf-Yes Bank(Depositors A/C)	5.50	-
General Stores Inventory Difference	1.48	-
	(0.06)	-
TOTAL	21,741.74	18,271.41

NOTE 9 : SHARE CAPITAL

	AS AT 31.03.2026	AS AT 31.03.2025
Authorised Share Capital :		
1,500,000,000 Equity Shares of Rs. 1/- each	15,000.00	15,000.00
Issued , Subscribed and Paid-up Capital :		
142,990,798 Equity Shares of Rs. 1/- each	14,299.91	9,408.45
TOTAL	14,299.91	9,408.45

Disclosures:

- All the Equity Shares carry equal rights and obligations including for dividend and with respect to voting rights.
- Names of share holders holding more than 4% of the Share capital and their share holdings.

Sl. No.	Name of the Share Holder	% of Holding	No. of Shares	No. of Shares
1	S S GANESH	24.99%	35,74,29,780	25,42,38,056
2	ABHIJITH GANESH SHAMANUR	4.84%	6,91,47,240	6,91,47,240
3	REKHA GANESH	4.39%	6,28,22,501	6,08,62,000
4	M/S MAFATLAL PLAYWOOD INDUSTRIES LIMITED	5.59%	8,00,00,000	8,00,00,000



NOTE 10 : RESERVES AND SURPLUS

	AS AT 31.03.2026	AS AT 31.03.2025
1 Capital Reserve: Balance at the beginning and end of the year	-	-
2 Securities Premium Reserve : Balance at the beginning and end of the year Add: Securities Premium Reserves	4.07 1,209.47 9,867.31	4.07 1,209.47 9,867.31
3 Revaluation Reserve	15,477.55	15,477.55
4 General Reserve : Balance at the beginning and end of the year	59.96	59.96
5 Surplus : Balance brought forward from previous year Add : Mat Credit Entitlement of past years Add : Mat Credit Entitlement of current years Add: Transfer from the Statement of Profit and Loss Account for the year Total 5(a) Other Comprehensive Impairments Balance available for Appropriations Appropriations: Balance carried forward to next year	26,618.36 9,470.28 - 850.66 10,320.95 (757.88) - 9,563.07 - 36,181.44	16,751.05 8,387.17 - 1,083.11 9,470.28 (647.81) - 8,822.47 - 25,573.52
TOTAL	36,181.44	25,573.52

NOTE 11 : LONG TERM BORROWINGS

	AS AT 31.03.2026	AS AT 31.03.2025
A Secured:		
1 i Working Capital Term Loan (WCTL) Davangere District Central Co-operative Bank (WCTL) State Bank Of India (WCDL)	-	-
ii SOFT LOAN: STATE BANK OF INDIA CANARA BANK INDIAN BANK	112.35 - - -	319.19 - - -
iii GECL-2 LOAN STATE BANK OF INDIA CANARA BANK INDIAN BANK	- - - -	- - - -
iv GECL-2 LOAN (ADDITIONAL) STATE BANK OF INDIA CANARA BANK INDIAN BANK	- 65.27 55.81 19.32	2.29 180.49 193.81 59.86
iv ETHANOL PLANT TERM LOAN: Davangere District Central Co-operative Bank INDIAN BANK CANARA BANK STATE BANK OF INDIA TERM LOAN FOR ETHANOL EXPANSION - SVC-Bank Ltd	(18.72) 441.35 1,252.51 1,321.71 -	- 672.82 1,702.05 1,607.60 -
v Vehicles Loans	-	-
TOTAL	3,249.61	4,738.10

NOTE 12 : DEFERRED TAX LIABILITIES

	AS AT 31.03.2026	AS AT 31.03.2025
Deferred Tax Liability		
a Deferred Tax Liability - As per Last Balance Sheet	140.15	172.63
b Net Deferred Tax Liabilities / (Assets) thereon	140.15	172.63
c Add/Less: Provided for during the previous year (Liability/Asset)	8.76	(32.48)
TOTAL	148.91	140.15

NOTE 13 : OTHER LONG TERM LIABILITIES

	AS AT 31.03.2026	AS AT 31.03.2025
a) Unsecured Loan from the Managing Director	3,886.35	8,549.85
b) Unsecured Loans From Executive Directors	125.35	25.35
c) Unsecured Loans From OFB Tech Pvt Ltd	633.84	-
d) Unsecured Loans From Mizuho Capsave Finance Pvt Ltd	750.00	-
TOTAL	5,395.54	8,575.20

NOTE 14 : LONG TERM PROVISIONS

	AS AT 31.03.2026	AS AT 31.03.2025
a) Provisions for Employees Benefits	367.86	-
b) Others:	-	-
TOTAL	367.86	-



NOTE 15 : SHORT TERM BORROWINGS

	AS AT 31.03.2026	AS AT 31.03.2025
A Secured:		
Loans repayable on demand		
(i) Cash Credit Loans from Consortium Banks	10,725.18	8,206.31
(ii) OTHER SHORT TERM LOANS:		
a) DDCC Bank Fertilizer and Seeds loan	1,500.44	1,501.31
b) DDCC Bank Short Term Business Loan (Loan on Stock)	2,000.58	5,004.36
c) DDCC Bank Agri Business loan	2,000.58	2,001.74
d) Current maturities of Long Term Liabilities	1,811.46	2,705.86
e) Term Loan Ethanol Expansion-Dcc	166.00	192.03
f) Loans From Directors Repayable	900.00	1,400.00
g) Axis Bank (Maize Pledge)	-	1,124.73
h) Dhuc - Short Term Business Loan	500.00	200.49
i) Seeds & Fertilizers Additional Loan	2,000.58	-
j) Loans Against Term Deposit	150.03	-
B Un-Secured:	-	-
TOTAL	21,754.84	22,336.83

NOTE 16 : TRADE PAYABLES

	AS AT 31.03.2026	AS AT 31.03.2025
Trade Payables		
- Dues of micro enterprises and small enterprises	1,570.81	2,815.18
- Dues of Creditor other than micro enterprises and small enterprises	-	-
TOTAL	1,570.81	2,815.18

Ageing of Payables :

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 31 March 2026							
(i) MSME	-	-	-	-	-	-	-
(ii) Related parties and others	-	-	1,547.33	2.29	20.64	0.56	1,570.81
(iii) Disputed dues -	-	-	-	-	-	-	-
(iv) Disputed dues - Related parties and others	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	-	-	1,547.33	2.29	20.64	0.56	1,570.81

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 31 March 2025							
(i) MSME	-	-	-	-	-	-	-
(ii) Related parties and	-	-	2,786.94	25.59	2.64	-	2,815.17
(iii) Disputed dues -	-	-	-	-	-	-	-
(iv) Disputed dues -	-	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-	-
Total	-	-	2,786.94	25.59	2.64	-	2,815.17

NOTE 17 : OTHER CURRENT LIABILITIES

	AS AT 31.03.2026	AS AT 31.03.2025
a) Interest accrued and due on Borrowings	-	-
b) Advance against Sales	506.56	12.25
c) Statutory Remittances	33.80	111.82
d) Trade or Security Deposits received	63.26	54.20
e) Mat Tax Expenses (Provision)	239.49	224.67
f) Others	117.34	260.99
TOTAL	960.45	663.93

NOTE 18 : SHORT TERM PROVISIONS

	AS AT 31.03.2026	AS AT 31.03.2025
a) Statutory Audit Fee Payable	4.50	4.50
b) Audit fee for Internal audit Payable	0.40	0.50
c) Tax Audit Fee Payable	1.00	0.50
TOTAL	5.90	5.50



NOTE 19 : REVENUE FROM OPERATIONS

		AS AT 31.03.2026	AS AT 31.03.2025
A	SALE OF PRODUCTS		
I	Sale of Sugar:		
	a. Domestic sales	5,542.44	5,008.65
	b. Export Sales	-	-
	c. Subsidy on Sugar Export	-	-
II	Sale of Power	709.51	622.89
III	Sale of Ethanol:		
	a. Ethanol	9,806.51	13,081.42
	b. Ethanol Relief Claim - Additional Price Incentive	-	-
	c. Sale of ENA	-	-
	d. Sale of DDGS	2,110.38	1,715.66
	e. Sale of Maize	871.49	-
	f. Sale of Sugar Cane Seeds	4,336.10	-
	g. Sale of Ractified	142.13	-
IV	a.Coal Ash	-	-
	b.Press Mud	10.44	14.88
	c.Sale Of Fly Ash	-	0.98
B	OTHER OPERATING INCOME		
1	a.Miscellaneous sales	83.52	62.34
	b.Helicopter Chartering Charges collected	104.46	749.60
	c.Freight Recovered from OMCs on sale of Ethanol	160.33	242.11
TOTAL		23,877.30	21,498.53

NOTE 20 : OTHER INCOME

		AS AT 31.03.2026	AS AT 31.03.2025
A	INTEREST INCOME		
	a On Loans To Farmers	10.11	5.65
	b On Fixed Deposits With Banks	17.97	10.25
	c Dividends On Co-Op Bank Shares	1.82	1.82
B	OTHER NON OPERATING INCOME		
	a Rent Received	15.23	6.48
	b Insurance Claims Received	3.71	2.31
	c Subsidy Receivable From Govt. Of Karnataka On Ethanol Sales Turnover	180.15	127.87
	d Sundry Creditors Balance Written Off	1.35	8.48
	e Items Pending In Bank Reconciliation Written Off	-	-
	f Discount Received	0.01	3.53
	g Profit Or Loss On Sale Of Vehicles	-	2.32
	h Sundry Debtors Credit Balances Written Off	-	8.36
	i Profit On Foreign Exchange Remittance	2.24	-
	j Income Tax Refund	-	-
	k Profit On Sale Of Sugar Cane Seeds	-	-
TOTAL		232.59	177.07

NOTE 21 : COST OF MATERIALS CONSUMED

		AS AT 31.03.2026	AS AT 31.03.2025
A	Sugar Cane purchased and consumed (Inclusive of Cane purchase Tax and Other procurement Charges)	6,202.42	5,778.25
B	Consumption of processing materials	6,022.51	7,570.88
		12,224.93	13,349.13
A	Steaming Coal purchased and consumed (Inclusive of Duties and Transportation Charges)	1,606.67	1,006.22
TOTAL		1,606.67	1,006.22

NOTE 22 : PURCHASE OF TRADED GOODS

		AS AT 31.03.2026	AS AT 31.03.2025
A	PURCHASE OF TRADED GOODS - Maize and Sugarcane Seeds	2,890.73	-
TOTAL		2,890.73	-



NOTE 23 : (INCREASE) / DECREASE IN INVENTORIES:

		AS AT 31.03.2026	AS AT 31.03.2025
A FINISHED GOODS			
a) Opening Stock:			
Sugar		3,265.37	2,458.53
Molasses		3,031.52	1,370.30
Anhydrous Ethanol Finished Goods		424.45	1,177.64
Bagasse		-	273.24
Total		6,721.34	5,279.70
b) Closing Stock:			
Sugar		2,926.99	3,265.37
Molasses		2,299.02	3,031.52
Anhydrous Ethanol Finished Goods		1,595.75	424.45
Extra Neutral Alcohol (ENA)		530.00	-
Bagasse		-	-
Total		7,351.76	6,721.34
(a)-(b)		(630.42)	(1,441.64)
A WORK IN PROGRESS:			
a) Opening Stock:			
Sugar		-	-
Molasses		-	-
Total		-	-
b) Closing Stock:			
Sugar		-	-
Molasses		-	-
Total		-	-
(a)-(b)		-	-
GRAND TOTAL		(630.42)	(1,441.64)

NOTE 24 : EMPLOYEE BENEFIT EXPENSES

		AS AT 31.03.2026	AS AT 31.03.2025
a	Salaries, wages and allowances	685.40	731.05
b	Contribution to Provident fund and Other funds	62.18	55.63
c	Staff Welfare Expenses	49.21	49.12
TOTAL		796.79	835.79

NOTE 25 : FINANCE COSTS

		AS AT 31.03.2026	AS AT 31.03.2025
a	Interest Expenses	2,601.48	2,672.10
b	Other Borrowings Costs	98.09	147.25
TOTAL		2,699.57	2,819.35

NOTE 26 : OTHER EXPENSES

		AS AT 31.03.2026	AS AT 31.03.2025
a	Selling and Distribution Expenses		
	Packing and storage expenses	66.53	73.54
	Supply and Distribution Expenses	65.71	56.41
	Freight and Forwarding	511.45	437.31
b	Repairs and Maintenance:		
	on Buildings	31.96	36.81
	on Plant and Machinery	755.15	907.00
	on Others	24.13	17.20
c	Administrative Expenses		
	Travelling and Conveyance	17.09	13.54
	Legal and Professional Charges	49.69	43.12
	Postage and Telephone Expenses	0.99	4.41
	Printing and Stationery	2.49	4.49
	Insurance	100.68	38.45
	Water Charges	0.04	0.03
	Rent	65.29	63.03
	Vehicle Maintenance	107.75	105.23
	Advertisement	0.46	1.00
	Travelling Expenses to Managing Director	43.13	83.58
	Loss on sale of vehicles	-	-
	Gratuity to be accrued in Future (Provision)	53.80	31.11
	Audit Fee:		
	For Statutory Audit	4.50	4.50
	For Cost Audit	0.60	0.61
	For Tax Audit	0.50	-
	For Other Services	-	0.92
	For Internal Audit	0.80	0.50
	Auditors out of pocket expenses	0.48	-
	Other Expenses	249.23	628.13
TOTAL		2,152.45	2,550.93



Note 27 Earnings per share**Basic and Diluted earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Basic Earnings per share (Amount in Rs.)	0.06	0.12
Diluted Earnings per share (Amount in Rs.)	0.06	0.12
Profit for the year used in the calculation of basic and diluted earnings per share (Amount in Rs. lakhs)	740.60	1,083.11
Weighted average number of equity shares (Nos in Lakhs)	14,299.91	9,408.45

Note 28 Employee Benefits**28.1 Defined Contribution Plan**

The Company makes Provident and National Pension Fund contributions for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company are at rates specified in the rules of the Schemes/Policy are as below:

Particulars	Amount in Rs. Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
Employer's Contribution to Provident Fund	37.94	49.07
Employer's Contribution to National Pension Fund	-	-
Employer's Contribution to ESIC	-	-
Total	37.94	49.07

28.2 Defined Benefit Plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The following table sets out the status of the Gratuity scheme and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary:

These plans typically expose the Company to actuarial risks such as: Actuarial risk, investment risk, Liquidity risk, market risk and legislative risk.

Actuarial Risk	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption then the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
Investment risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

In respect of the above plans, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2025 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(a) Amount recognised in the statement of Profit and Loss in respect of the defined benefit plan are as follows :
Amount in Rs. Lakhs

Particulars	As at 31 March 2026
Service Cost	
- Current Service Cost	36.58
- Past Service Cost	5.54
- Net interest expense	11.69
Components of defined benefit costs recognised in profit or loss (A)	53.80
Remeasurement on the net defined benefit liability :	
- Return on plan assets (excluding amount included in net interest expense)	0.18
- Actuarial (gains) / loss arising from changes in financial assumptions	(9.95)
- Actuarial (gains) / loss arising from experience adjustments	119.83
- Actuarial (gains) / loss arising from Demographic assumptions	-
Components of defined benefit costs recognised in other comprehensive income (B)	110.07
Total (A) + (B)	163.87



(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	Amount in Rs. Lakhs	
	As at 31 March 2026	
Net Asset/(Liability) recognised in the Balance Sheet:		
Gratuity:		332.03
Present value of defined benefit obligation		333.33
Fair value of plan assets		(1.30)
Surplus/(Deficit)		332.03
Non Current portion of the above		299.87
Current portion of the above		32.16
Compensated Absences:		
Present value of defined benefit obligation		
Current portion of the above		
Non current portion of the above		
Total		332.03

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	Amount in Rs. Lakhs	
	As at 31 March 2026	
Present value of defined benefit obligation at the beginning of the year		185.58
Expenses Recognised in the Statement of Profit and Loss:		
Service Cost		
- Current Service Cost		36.58
- Past Service Cost		5.54
- Interest Cost		11.98
Recognised in Other Comprehensive Income		
- Actuarial (Gain) / Loss arising from:		
i. Financial Assumptions		(9.95)
ii. Experience Adjustments		119.83
iii. Demographic Assumptions		-
Benefit payments		(16.23)
Present value of defined benefit obligation at the end of the year		333.33
Compensated Absences:		
Net interest expense		
Present value of defined benefit obligation at the beginning of the year		185.58
Expenses Recognised in Profit and Loss Account		
- Current Service Cost		36.58
- Past Service Cost		5.54
- Interest Expense (Income)		11.98
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions		(9.95)
ii. Experience Adjustments		119.83
Benefit payments		(16.23)
Present value of defined benefit obligation at the end of the year		333.33

(d) Movement in fair value of plan assets (Unfunded) are as follows :

Particulars	Amount in Rs. Lakhs	
	As at 31 March 2026	
Fair value of plan assets at the beginning of the year		0.78
Expenses Recognised in the Statement of Profit and Loss:		
- Expected return on plan assets		(0.18)
- Interest Income		0.29
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial gains and loss arising from changes in financial assumptions		-
- Return on plan assets (excluding amount included in net interest expense)		-
Contributions by employer		16.63
Benefit payments		(16.23)
Fair Value of Plan assets at the end of the year		1.30

(e) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at 31 March 2026	
Discount rate		7.15%
Expected rate of salary increase		5.00%
Expected return on plan assets		0.00%
Attrition Rate		5.00%
Retirement Age		58
Mortality		1.12
Compensated Absences:		
Discount rate		7.15
Expected rate of salary increase		5.00
Withdrawal Rate		5.00

* Based on India's standard mortality table with modification to reflect the expected changes in mortality/others.



(f) Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant :

Amount in Rs. Lakhs	
Impact on the Defined benefit Obligation	0.5% point increase As at 31 March 2026
Increase / (Decrease) due to :-	
Change in the discount rate	(3.13)
Change in the attrition rate	0.52
Change in the Expected rate of salary increase	3.27
Amount in Rs. Lakhs	
Impact on the Defined benefit Obligation	0.5% point decrease As at 31 March 2026
Increase / (Decrease) due to :-	
Change in the discount rate	3.33
Change in the attrition rate	(0.56)
Change in the Expected rate of salary increase	(3.10)

The sensitivity is performed on the Defined benefits Obligation at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

28.3 Defined Benefit Plans

The Company operates a **Privilege Leave Benefits plan** covering qualifying employees as per the Indian Accounting Standard (Ind AS 19) notified by the Ministry of Corporate Affairs or the Company scheme applicable to the employee. The benefit vests upon requirements of IND AS 19 and its application to the plan, the objective of the valuation is to ascertain the liability on of accumulated leave. The accumulated leave may also diminish on account of utilization id permissible in the course of employment. The effect of utilization will be reflected in year to year balance and the liability will be adjusted accordingly at every annual actuarial valuation. as per the Actuarial Valuation done by an Independent Actuary:

These plans typically expose the Company to actuarial risks such as: Actuarial risk, investment risk, Liquidity risk, market risk and legislative risk. (As discussed)

(a) Amount recognised in the statement of Profit and Loss in respect of the defined benefit plan are as follows :

Amount in Rs. Lakhs	
Particulars	As at 31 March 2026
Service Cost	
- Current Service Cost	18.81
- Past Service Cost	-
- Net interest expense	-
Components of defined benefit costs recognised in profit or loss under Employee Benefit Expense	18.81

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Amount in Rs. Lakhs	
Particulars	As at 31 March 2026
Net Asset/(Liability) recognised in the Balance Sheet:	
Privilege Leave Benefits:	18.18
Present value of defined benefit obligation	
Fair value of plan assets	18.81
Surplus/(Deficit)	18.81

Note 29 Financial instruments - Capital Management

29.1 Capital management

For the purpose of the capital management, capital includes issued equity capital, securities 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 maximise the shareholder 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 includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

Amount in Rs. Lakhs		Amount in Rs. Lakhs	
Particulars	As at 31 March 2026	As at 31 March 2025	
Borrowings	3,249.61	4,738.10	
Less: Cash and cash equivalents	(656.70)	(338.20)	
Net debts	2,592.91	4,399.90	
Capital (Net equity)	50,481.34	34,981.97	
Capital and net debt	53,074.25	39,381.87	
Gearing ratio	5.14%	11.17%	

29.2 Financial Instruments - Financial risk management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

29.3 Market risk

The Company is exposed to market risks such as price, interest rate fluctuation and foreign currency rate fluctuation risks, capital structure and leverage risks. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices.



29.4 Foreign Currency Risk Management:

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuation arises. The Company does not enter into trade financial instruments including derivative financial instruments for hedging its foreign currency risk. The appropriateness of the risk policy is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Company.

Earnings and Expenditure in Foreign Currency

Particulars	Amount in Rs. Lakhs	
	As on 31 March 2026	As on 31 March 2025
Earnings in Foreign Currency*	2.24	-
Expenditure in Foreign Currency	-	-

*Deposit with third party account in overseas account as security for Purchase of Helicopter but later the proposal was cancelled as money was returned back and hence there is gain for the deposit amount

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	(Amount in Lakhs)			
		Amount as at 31 March 2026		Amount as at 31 March 2025	
		Amount in Foreign Currency	Rs.	Amount in Foreign	Rs.
Trade receivables	USD	-	-	-	-

Out of the above foreign currency exposures , none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.

Foreign Currency sensitivity analysis

The following table details the company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the rupee strengthens 10% against the relevant currency. For a 10% weakening of the rupee, against the relevant currency, there would be a comparable impact on the profit or equity.

Trade Receivables :

Particulars	Amount in Rs. Lakhs			
	USD - INR impact			
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Profit or Loss - Increase	-	-	-	-
Profit or Loss - (Decrease)	-	-	-	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the period.

29.5 Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company. The Company invests its surplus funds in bank fixed deposits which carry minimal mark to market rates.

Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Total	Amount in Rs. Lakhs		
			Less than 1 year	1 to 3 years	3 to 5 years
31 March 2026					
Non-derivative financial liabilities					
Non-current					
Borrowings		3,249.61	-	3,249.61	-
Lease Liabilities		-	-	-	-
Current					
Borrowings		21,754.84	21,754.84	-	-
Lease Liabilities		-	-	-	-
Trade Payables		1,570.81	1,570.81	-	-
Other Financial Liabilities		6,878.66	6,878.66	-	-
Total	-	33,453.92	30,204.32	3,249.61	-



Particulars	Carrying amount	Total	Amount in Rs. Lakhs		
			Less than 1 year	1 to 3 years	3 to 5 years
31 March 2025					
Non-derivative financial liabilities					
Non-current					
Borrowings		4,738.10	-	4,738.10	-
Lease Liabilities		-	-	-	-
Current					
Borrowings		22,336.83	22,336.83	-	-
Lease Liabilities		-	-	-	-
Trade Payables		2,815.24	2,815.24	-	-
Other Financial Liabilities		9,395.83	9,395.83	-	-
Total		39,286.00	34,547.90	4,738.10	-

The Company has sufficient current assets comprising of Trade receivables, Cash and cash equivalents, Other bank balances, Loans and other current financial assets to manage the liquidity risk, if any, in relation to current financial liabilities. Based on the contractual due dates of the loan from related parties and the confirmation from the Holding Company that they will be settling amounts to enable the Company to meet its liabilities and the fact that the Company also has credit facilities with Banks, the Company believes that it has enough sources to meet its financial obligations as they fall due, in case of any deficit.

The following table details the Company's expected realisation of non-derivative financial assets. This table has been drawn up considering the undiscounted cash flows of financial assets based on the earliest date on which the Company can expect to receive the same.

Non-derivative financial assets	Carrying amount	Total	Amount in Rs. Lakhs			
			Less than 1 year	1 to 3 years	3 to 5 years	5 years and above
31 March 2026						
Investments		538.76	-	-	538.76	-
Trade Receivables		3,500.95	3,500.95	-	-	-
Cash and Cash equivalents		13.34	13.34	-	-	-
Bank balances other than above		643.36	643.36	-	-	-
Loans		22,523.52	22,523.52	-	-	-
Other Financial Assets		23,033.10	23,033.10	-	-	-
Total		59,253.43	49,714.67	-	538.76	-

Non-derivative financial assets	Carrying amount	Total	Amount in Rs. Lakhs			
			Less than 1 year	1 to 3 years	3 to 5 years	5 years and above
31 March 2025						
Investments		461.78	-	-	461.78	-
Trade Receivables		2,871.28	2,871.28	-	-	-
Cash and Cash equivalents		11.29	11.29	-	-	-
Bank balances other than above		326.91	326.91	-	-	-
Loans		19,203.66	19,203.66	-	-	-
Other Financial Assets		16,440.84	16,440.84	-	-	-
Total		39,315.76	38,853.98	-	461.78	-

29.6 Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Cash and cash equivalents

The Company maintains its cash and cash equivalents with credit worthy banks and reviews it on ongoing basis. The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

Other financial assets

Other financial assets are neither past due nor impaired.

29.7 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

29.8 Offsetting of Financial Assets and Financial Liabilities

The Company does not offsets financials assets and financial liabilities

Note 30 Contingent Liabilities and Commitments (to the extent not provided for)

Company has extended Corporate guarantee of Rs.8.00 crores to State Bank of India, Rs.17.00 crores to Canara Bank. Total corporate guarantee extended is for Rs.25.00 crores. The corporate guarantee is extended to these banks against the loans given to the Harvesting and Transportation contractors against the loans disbursed to their individual accounts to the extent of Rs.7.00 Lakh each by SBI and Rs.10.00 Lakh each by Canara Bank. Further, Company has given Bank Guarantee of Rs.6.80 crores in favour of OFB Tech Pvt Ltd and Rs. 7.50 Crores to Mizuho Capsave Finance Pvt Ltd to secure suppliers of raw materials and Rs.1.76 crore to the OMCs (Oil Marketing Companies) against the supply of Ethanol.



30.1 Contingent Liabilities

Particulars	Amount in Rs. Lakhs	
	As at 31 March 2026	As at 31 March 2025
Claims against the Company not acknowledged as Debts:		
Taxation matters		
Income Tax	381.89*	464.04
In respect of above Income Tax matter, the Company has ongoing disputes with Income Tax Authorities relating to treatment of certain items/ adjustments carried out by the Department. The Company's appeals are pending before various Appellate Authorities.		
*out of INR 381.89 Lacs an amount of INR 175.00 lacs is paid as advance		

Note 31 Operating Segments

The Primary Reporting of the Company has been made on the basis of business segments. The Company operates in a reportable operating segment with **4 units like sugar unit, cogeneration unit, distillery unit, aviation unit** and the Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance focuses on this operating segment. Accordingly, the amounts appearing in the financial statements relate to this operating segment. Hence there are separate reportable segments in accordance with Ind AS 108 'Operating Segments'. There is only one Geographical Segments (based on geographical location of its customers) i.e. India only which is considered as a Secondary segment as per the aforesaid standard.

Revenue from Operations includes revenue arising from one customer, representing more than 10% of the Company's revenue individually.

Note 32 Corporate Social Responsibility:

As per Section 135 of the Companies Act 2013 (The Act), the company was required to spend Rs. 29.99 Lakhs for the year ended 31 March 2026 and Rs. 20.75 Lakhs for the year ended 31 March 2025, in pursuance of its Corporate Social Responsibility Policy.

Particulars	Amount in Rs. Lakhs	
	Year ended 31 March	Year ended 31 March 2025
Amount required to be spent by the company during the year 2025-26		
Less: Already Spent 2025-26	29.99	20.75
Balance to be Spent	19.35	
Excess Expenditure spent during Previous FY 2024-25 is adjusted	10.64	
Excess Spent balance carried forward	23.26	
Amount of expenditure incurred by the company during the year:	12.62	
(i) Construction/Acquisition of any asset		
(ii) On purposes other than (i) above	-	-
Excess Spent carried forward	42.61	44.01
	12.62	23.26

The company has spent Rs.17.17 lacs on development of green belt being plantation of nursery plants in the surrounding places as a part of spending on CSR activities and has spent Rs.2.17 Lakhs for providing education to the poor students at the Primary and Secondary Education School run by the Company. Further Rs. 10.64 lacs which is part of donation to Advait Education Trust (R) CSR approved educational institution and expenditure on Green Belt development which was excess spent during previous financial year 2024-25 is adjusted for the Financial year 2025-26



DAVANGERE SUGAR COMPANY LIMITED, KUKKUWADA-577 525

Note: 1

PROPERTY, PLANT AND EQUIPMENTS SCHEDULE AS ON 31.03.2026

PARTICULARS	COST			DEPRECIATION				WRITTEN-DOWN VALUE		
	AS ON 01.04.2025	ADDITIONS	WITHDRAWA L / TRANSFER	AS ON 31.03.2026	UPTO 01.04.2025	PROVIDED	WITHDRA WAL	UPTO 31.03.2026	AS ON 31.03.2025	AS ON 31.03.2026
LAND	4908.60	0.00	0.00	4908.60	0.00	0.00	0.00	0.00	4908.60	4908.60
BUILDINGS,ROADS & YARDS	11331.02	0.00	0.00	11331.02	3533.01	213.74	0.00	3746.75	7798.01	7584.27
PLANT & MACHINERY	37283.30	2.07	0.00	37285.36	17509.53	995.18	0.00	18504.70	19773.77	18780.66
WELL & WATER WORKS	19.76	0.77	0.00	20.53	19.54	0.00	0.00	19.54	0.99	0.99
FURNITURE & FIXTURES	25.66	0.00	0.00	25.66	24.35	0.06	0.00	24.41	1.31	1.25
VEHICLES	683.03	0.00	0.00	683.03	527.96	48.92	0.00	576.88	155.07	106.15
OFFICE EQUIPMENTS	15.84	0.60	0.00	16.44	14.80	0.19	0.00	14.99	1.04	1.45
LIBRARY	0.41	0.00	0.00	0.41	0.41	0.00	0.00	0.41	0.00	0.00
CANTEEN EQUIPMENTS	1.44	0.00	0.00	1.44	1.42	0.00	0.00	1.42	0.02	0.02
COMPUTERS	60.47	0.00	0.00	60.47	58.02	1.10	0.00	59.12	2.44	1.35
WATER STORAGE TANK	426.00	0.00	0.00	426.00	240.03	8.68	0.00	248.71	185.98	177.30
INTANGIBLE ASSETS (SOFTWARE PACKAGE)	29.26	0.00	0.00	29.26	27.79	1.15	0.00	28.94	10.14	0.31
STORAGE SHED	15.81	3.11	0.00	18.92	1.23	1.23	0.00	2.47	14.58	16.46
PROJECT IN PROGRESS	0.00	13.81	0.00	13.81	0.00	0.00	0.00	0.00	0.00	13.81
CAPITAL WORK-IN PROGRESS	2089.22	0.00	0.00	2089.22	0.00	0.00	0.00	0.00	2089.22	2089.22
TOTAL	56889.82	20.35	0.00	56910.17	21958.09	1270.25	0.00	23228.34	34941.17	33681.83
Previous years	56614.26	309.15	33.59	56889.82	20720.10	1269.90	41.35	21948.65	35894.16	34941.17



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

27. Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
28. The Company has not revalued its Property, Plant and Equipment for the current year.
29. There has been Capital work in progress carried forward from the previous year and there is no additional capital work in progress for the current year of the company.

Capital Work in progress under progress for installation of the grain based Ethanol Unit	Amount In Development for Period (Amount in Lakhs)				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	--	--	--	2089.22	2089.22
Projects Temporarily suspended					
(As per IND AS 16)	--	--	--	--	--

30. There is no Intangible assets under development in the current year.
31. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
32. Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
33. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
34. No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
35. The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.
36. The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend to or invest in other 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 to or on behalf of the Ultimate Beneficiaries



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 37.** The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- directly or indirectly lend to 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.
- 38.** The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.
- 39.** The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.

40. Related Parties Disclosure: -

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given below:

List of related parties with whom transactions have taken place and relationships: -

Sr. No.	Nature of Relationship	Name of the Parties
1.	Key Managerial personnel (KMP)	1. Shamanur Shivashankarappa Ganesh 2. Abhijith Ganesh Shamanur

Transaction during the current financial year with related parties:-

Rs. in Lakhs

SrNo.	Name Of related Parties	Nature of relation	Nature of Transaction	O/s at the beginning Receivable / (Payable)	Amount Debited	Amount Credited	O/s at the End Receivable / (Payable)
1.	M/s. Kalleswara Traders	MD's Relative is partner in firm	Purchase & Sale of goods & Services	--	6.82	6.82	--
2.	M/s. S Kallappa & Sons	MD partner in firm	Purchase & Sale of goods & Services	--	19.04	19.04	--
3.	M/s. Shivashankar Associates	MD partner in firm	Purchase & Sale of goods & Services	--	2.09	2.09	--
4.	M/s. Shamanur Transport	E D is the proprietor	Purchase & Sale of goods & Services	345.69	1445.99	1398.89	392.79
5.	GMM Enterprises	MD and ED are partners in the firm	Purchase & Sale of goods & Services	6.17	0.00	1.57	7.74
6.	M/s Lakshmi Flour Mills	MD partner in firm	Purchase & Sale of goods & Services	4.91	2.46	9.82	12.27



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FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

7.	S S Trading Company	MD partner in firm	Purchase & Sale of goods & Services	472.30	1691.65	1750.83	413.12
8.	Smt Rekha Ganesh	Wife of S S Ganesh	Purchase & Sale of goods & Services	3.33	0.46	5.45	8.32
9.	Shivashnakar Filling Station	MD partner in firm	Purchase & Sale of goods & Services	10.30	104.91	100.92	6.31

41. Deferred tax Assets and Liabilities are as under:- Components of which are as under:-

Particulars	(Rs. In Lakh)	
	Amount (Rs.) 31-3-2026	Amount (Rs.) 31-3-2025
Deferred Tax		
Net Differed Tax Liability/(Asset)	148.91	140.15

41. Earnings Per Share

Particulars	(Rs. In Lakhs)	
	Year Ended on 31 st March, 2026 (Rs.)	Year Ended on 31 st March, 2025 (Rs.)
Profit / (Loss) after tax attributable to Equity Shareholders (A)	740.59	1,083.11
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	142,990,798	9,40,84,462
Basic Earnings Per Share for each Share of Rs.1/- (A) / (B)	0.06	0.12

42. Corporate Social Responsibility (CSR)

The section 135 (Corporate social responsibility) of Companies Act, 2013 is applicable to the company for the Financial Year 2025-26 since the PAT of the company exceeds Rs.5 crores. The Company made a profit of Rs. 1098.92 Lakhs (Profit Before Tax) during the Financial Year 2025-26 and hence the CSR provisions are applicable for the Financial Year 2025-26. **Company has to spend the mandatory amount of Rs.29.99 Lakhs being 2% of the average Profit before tax for the past 3 years (prior to FY 2025-26) for CSR activities during the FY 2025-26.** To meet this mandatory spending, the company has spent Rs.17.17 lacs on development of green belt being plantation of nursery plants in the surrounding places as a part of spending on CSR activities and has spent Rs.2.17 Lakhs for providing education to the poor students at the Primary and Secondary Education School run by the



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

Company—Further Rs. 10.64 lacs which is part of donation to Advait Education Trust (R) CSR approved educational institution and expenditure on Green Belt development which was excess spent during previous financial year 2024-25 is adjusted for the Financial year 2025-26

43. Notes forming part of accounts in relation to Micro and small enterprise

1. Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act, 2013 with regard to the payments made/due to Micro and small Enterprises are given below:

Sr. No.	Particulars	Year Ended on 31 st March 2026		Year Ended on 31 st March 2025	
		Principal	Interest	Principal	Interest
I	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
Ii	Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil
Iii	Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil
Iv	The amount of interest accrued and remaining unpaid as at the date of Balance sheet	Nil	Nil	Nil	Nil

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

44. Title deeds of immovable Property

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/ director or employee of promoters / director of the company, hence same are held in the name of the company.

45. Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties:-

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

46. Compliance with approved Scheme(s) of Arrangements

The Company does not have made any arrangements in terms of section 230 to 237 of companies act 2013, and hence there is no deviation to be disclosed.



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

47. Utilization of Borrowed funds and share premium: -

As on March 31, 2026 there is no unutilized amount in respect of any issue of securities and long term borrowings from bank and financial institutions. The borrowed funds have been utilized for the specific purpose for which the funds were raised.

48. Ratios Analysis: -

Ratio	Numerator	Denominator	As at 31 st March, 2026	As at 31 st March, 2025	% Change in Ratio	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.96	1.43	37.61	increase in Inventory and Current Assets during FY 25-26
Debt Equity Ratio	Debt capital	Shareholder's Equity	0.60x	1.42x	-57.59	increase in share capital and reserves during FY25- 26
Debt Service Coverage Ratio	EBITDA- CAPEX	Debt Service (Int.+Principal)	0.16x	0.53x	-69.15	lower EBITDA during the FY 25-26
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	1.73%	11.51%	-84.94	decrease in the net profit for the FY 25-26
Inventory Turnover Ratio	Sales	Average Inventory	1.35x	1.61x	-16.64	increase in inventory during FY 25-26
Trade Receivables turnover ratio	Net Sales	Closing trade receivables	7.49x	7.46x	0.46	increase in the trade receivable FY 25-26
Trade payables turnover ratio	Cost of Material Consumed	Closing Trade Payables	5.57x	4.74x	17.60	decrease in Trade payable and cost of Material in the FY25-26
Net capital turnover ratio	Sales	Working capital (CA-CL)	1.02x	1.94x	-47.48	decrease in net working capital during FY 25-26
Net profit ratio	Net Profit	Sales	3.56%	5.04%	-29.29	decrease in net profit during the FY 25-26
Return on Capital employed	Earnings before interest and tax	Capital Employed	6.26%	13.24%	-52.73	decrease in EBITA and increase in equity during FY 25-26
Return on investment	Net Profit	Investment	0.88%	1.45%	-39.15	decrease in net profit and increase in inventory during FY 25-26

49. Company has extended Corporate guarantee of Rs.8.00 crores to State Bank of India, Rs.17.00 crores to Canara Bank. Total corporate guarantee extended is for Rs.25.00 crores. The corporate guarantee is extended to these banks against the loans given to the Harvesting and Transportation contractors against the loans disbursed to their individual accounts to the extent of Rs.7.00 Lakh each by SBI and Rs.10.00 Lakh each by Canara



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

Bank. Further, Company has given Bank Guarantee of Rs.6.80 crores in favour of OFB Tech Pvt Ltd and Rs. 7.50 Crores to Mizuho Capsave Finance Pvt Ltd to secure suppliers of raw materials and Rs.1.76 crore to the OMCs (Oil Marketing Companies) against the supply of Ethanol. Except these, company has not extended any kind of guarantee to any other entity during theyear

50. Shares Held by Promoters at the End of the Year

Sr. No.	Promoter Name	No. of Shares 2025-26	% of Total Shares	No. of Shares 2024-25	% of Total Shares	% Changes During the Year
1	GANESH S S	357429780	24.99	254238056	27.02	-2.03
2	ABHIJITH GANESH SHAMANUR	69147240	4.84	69147240	7.35	-2.51
3	REKHA GANESH .	62822501	4.39	60862000	6.47	-2.08
4	ANCHAL GANESH SHAMANUR	15000000	1.05	15000000	1.59	-0.54
5	AKHIL G SHAMANUR	10000000	0.70	10000000	1.06	-0.36
6	M/S MAFATLAL PLAYWOOD INDUSTRIES LIMITED	80000000	5.59	80000000	8.50	-2.91



DAVANGERE SUGAR COMPANY LTD

FOR YEAR ENDED ON 31ST MARCH 2026

NOTES FORMING PART OF FINANCIAL STATEMENTS

Segment Reporting

M/s. DAVANGERE SUGAR COMPANY LIMITED.

KUKKUWADA (Davanagere Taluk & District)
Registered Office : 73/1, P.B.No.312, Shamanur Road, Davanagere-577004 .
Web Site : www.davangeresugar.com : Email: davangeresugars@gmail.com :
accounts@davangeresugars.com



CIN : L10721KA1970PLC001949
to 201626

Phone: (08192) 201623

REPORTING ON SEGMENT WISE REVENUES, RESULTS, ASSETS AND LIABILITIES

Sr.No.	PARTICULARS	For the quarter ended			For Twelve months Ending on	
		31-Mar-2026	31-Dec-2025	31-Mar-2025	31-Mar-2026	31-Mar-2025
		Audited	Unaudited	Audited	Audited	Audited
1	Segment Revenue					
a)	Sugar	5,127.42	4,369.54	1,282.23	9,888.98	5,086.87
b)	Co Generation	58.45	651.06	180.00	709.51	622.89
c)	Aviation	3.88	23.01	40.93	104.46	749.60
d)	Distillery	3,263.23	3,154.40	4,187.54	13,354.47	15,039.18
e)	Others	(4.07)	132.71	56.81	52.48	177.06
	Income from operations	8,448.91	8,330.71	5,747.51	24,109.89	21,675.60
2	Segment Results					
	Profit (+)/Loss(-) before tax, Interest and exceptional items from each segment	-	-	-	-	-
a)	Sugar	269.75	(118.59)	283.51	312.35	(2,289.62)
b)	Co Generation	(657.57)	125.46	(342.70)	(725.87)	(608.17)
c)	Aviation	(55.96)	(44.38)	109.31	(130.25)	384.50
d)	Distillery	1,002.67	1,093.97	649.04	4,270.68	6,514.44
	Total	558.89	1,056.46	699.16	3,726.91	4,001.15
	Add: Exceptional item	-	-	-	-	-
	Less: Interest	418.11	603.99	474.45	2,628.00	2,715.25
	Other Unallocable expenditure net off	-	-	-	-	-
	Unallocable corporate assets	-	-	-	-	-
	Total Profit Before Tax	140.78	452.47	224.71	1,098.91	1,285.90
3	Segment Assets -					
a)	Sugar	15,870.02	20,310.39	42,563.05	15,870.02	42,563.05
b)	Co Generation	32,544.04	32,323.06	9,067.35	32,544.04	9,067.35
c)	Aviation/others	153.02	200.59	496.85	153.02	496.85
d)	Distillery	35,090.18	32,079.67	21,375.82	35,090.18	21,375.82
	Total segment assets	83,657.26	84,913.71	73,503.07	83,657.26	73,503.07
	Segment Liabilities -					
a)	Sugar	22,923.68	24,695.48	27,444.00	22,923.68	27,444.00
b)	Co Generation	82.53	451.54	129.12	82.53	129.12
c)	Aviation/others	624.96	458.48	13.60	624.96	13.60
d)	Distillery	9,544.75	9,039.83	10,934.38	9,544.75	10,934.38
	Total Segment Liabilities	33,175.92	34,645.33	38,521.10	33,175.92	38,521.10

