

DAVANGERE SUGAR

COMPANY LIMITED

CIN : L37100KA1970PLC001949



September 07, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Scrip code: 543267

Kind Attn: The Manager,
Department of Corporate Services

Dear Sir/ Madam,

National Stock Exchange of India Ltd.,
Bandra East, Bandra (E)
Mumbai- 400051
Series: EQ

Kind Attn: The Manager, Listing
Department Exchange Plaza, Bandra Kurla
Complex

Sub: Notice of AGM.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Notice of 53rd Annual General Meeting (AGM) of the Company scheduled to be held on AT THOGATAVEERA SAMUDHAYA BHAVANA, M.C.C. 'A' BLOCK, DAVANGERE – 577 004 AT 11.30 A.M.

Request you to kindly take this letter on record and acknowledge the receipt.

Thanking You,
For DAVANGERE SUGAR COMPANY LIMITED

Nidhi Vaswani
(Company Secretary and Compliance Officer)
Encl: A/a

Factory & Admin Office : Kukkuwada - 577 525. Davangere. Davangere Taluk & District. Karnataka. INDIA.
Phone : PBX : 08192-201623, 24, 25, 28, 29, 201626 Accounts Direct : 08192-201789 Fax : 08192-201627.
E-mail : davangeresugars@gmail.com, accounts@davangeresugars.com, material.dscl@gmail.com
Website : www.davangeresugars.com

Regd. Office : 73/1, P.B. No. 312, Shamanur Road, Davangere-577 004. Karnataka State. INDIA.
Phone : 08192-222022 to 26 Fax : 08192-222028. Email : ssg555@gmail.com

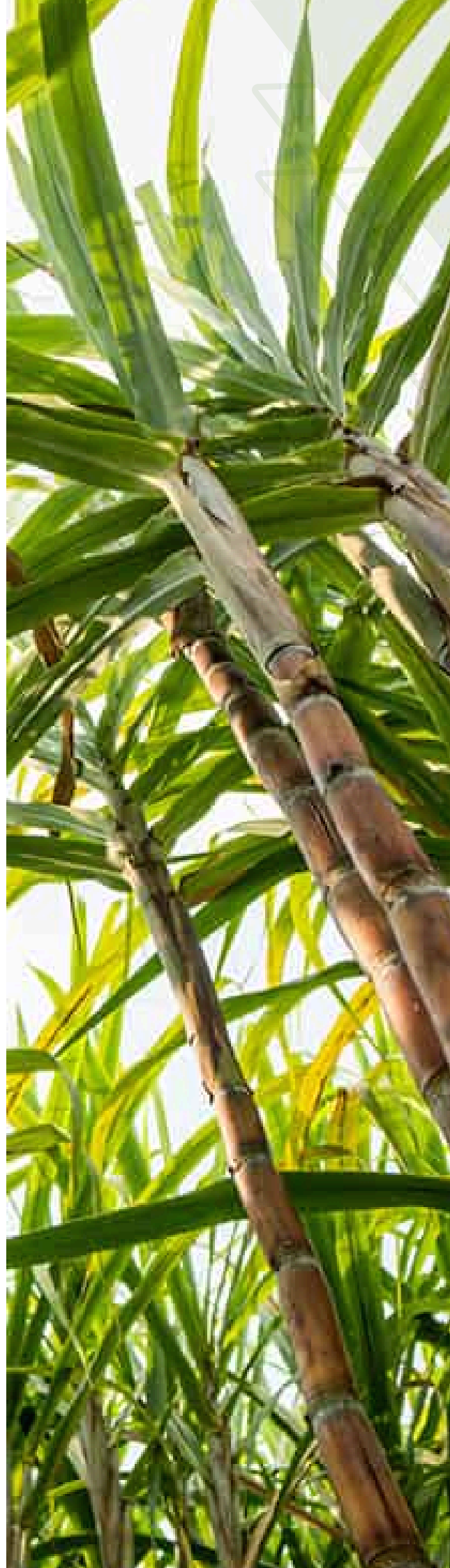
Corporate Office : No. 19, Shivashankar Plaza, 3rd Floor, Richmond Circle, Lalbagh Road, Bengaluru - 560 027. Karnataka State INDIA.
Phone : 080-22272183 Fax : 080-22222779



Davangere Sugar Company Limited

53rd Annual Report 2023-24

REGISTERED OFFICE:
Office No.73/1,
P.B. No. 312, Shamanur Road,
Davangere-577004,
Karnataka .
[www.davangeresugar .com](http://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

Mrs. Swathi Shamanur
Non-Executive Director

Mr. Tumbegere Rudrappa
Independent Director

**Mr. Thappagondanahally
Rajashekarappa**
Independent Director

Mrs. Veena Umpathy
Independent Director

Bankers of the Company

State Bank of India, Canara Bank, Indian Bank, DDCC Bank Limited, SVC Bank Limited

Corporate Identification Number

L37100KA1970PLC001949

Chief Financial Officer

Mr. CA Onkarappa P

Company Secretary and Compliance Officer

Ms. Nidhi Vaswani

Statutory Auditors

DGMS & Co, Chartered
Accountants, Mumbai

Internal Auditors

M/s. B Gangadhara and Co,
Chartered Accountants, Davangere

Registered Office

73/1, Post Box No.312,
Shamanur Road, Davangere.
Karnataka:- 577004.

Registrar and Share Transfer Agent

M/s. Integrated Registry
Management Services Pvt.
Ltd., Bangalore

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 blending programme (EBP), which requires oil manufacturing companies (OMCs) to mix 10 percent ethanol in gasoline by the end of 2022 and 20 percent by 2025. 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 4,990 individuals as of 31 March, 2024.

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 cogeneration 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."

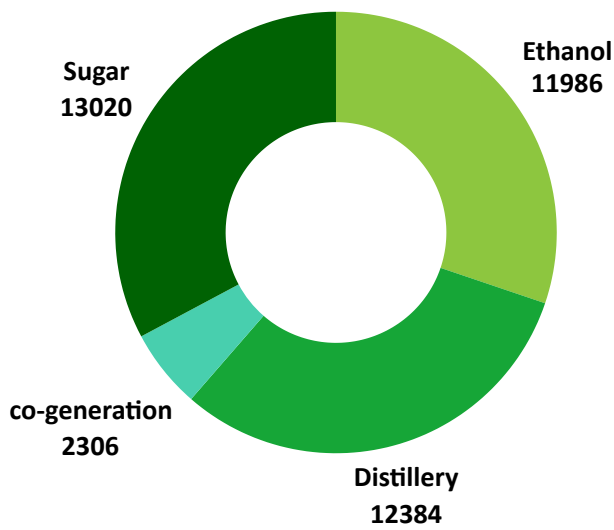
By adhering to this vision and mission, we aspire to lead the sugar and ethanol industry towards a greener and more sustainable future, benefiting our stakeholders, society, and the planet as a whole.



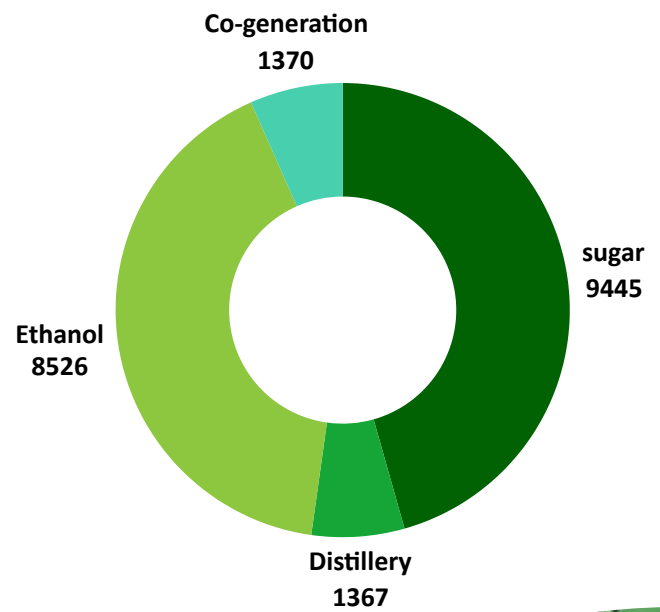
Our Revenue mix:

Business Segments Revenue (₹ Lakhs)

FY 2022-23



FY 2023-24





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.



Our Manufacturing Capacities

Sugar
Crushing
(TCD)

4750

Ethanol
Capacity
KLPD

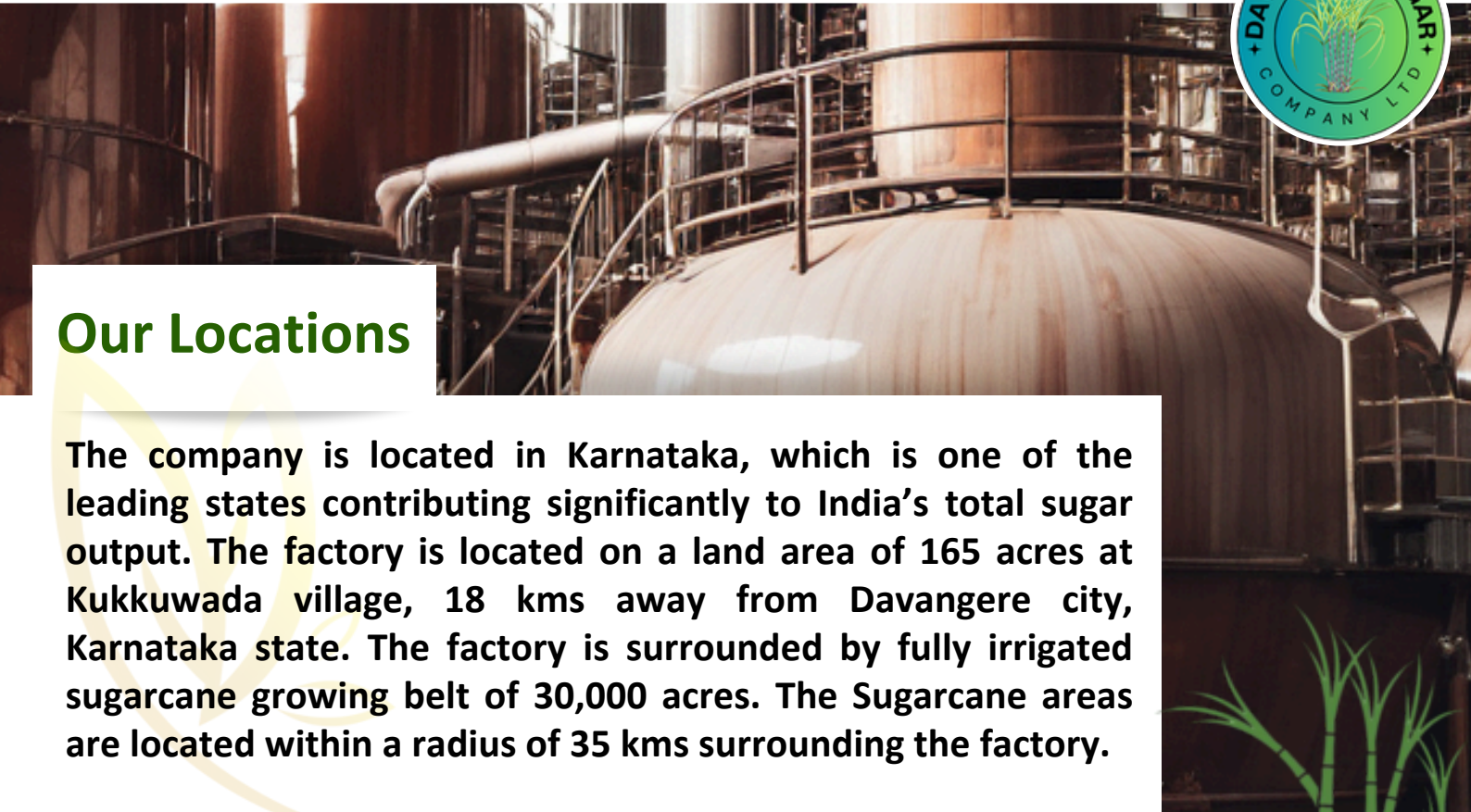
65

Co-
Generation
(MW)

24.45 MW

* The company aims to expand its existing production capacity from 65 KLPD (Kilo Litres Per Day) to 110 KLPD by 2025.





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 433 as on March 31, 2024. The talent comprised capabilities across agriculture, manufacturing, IT, research Finance and other functions.



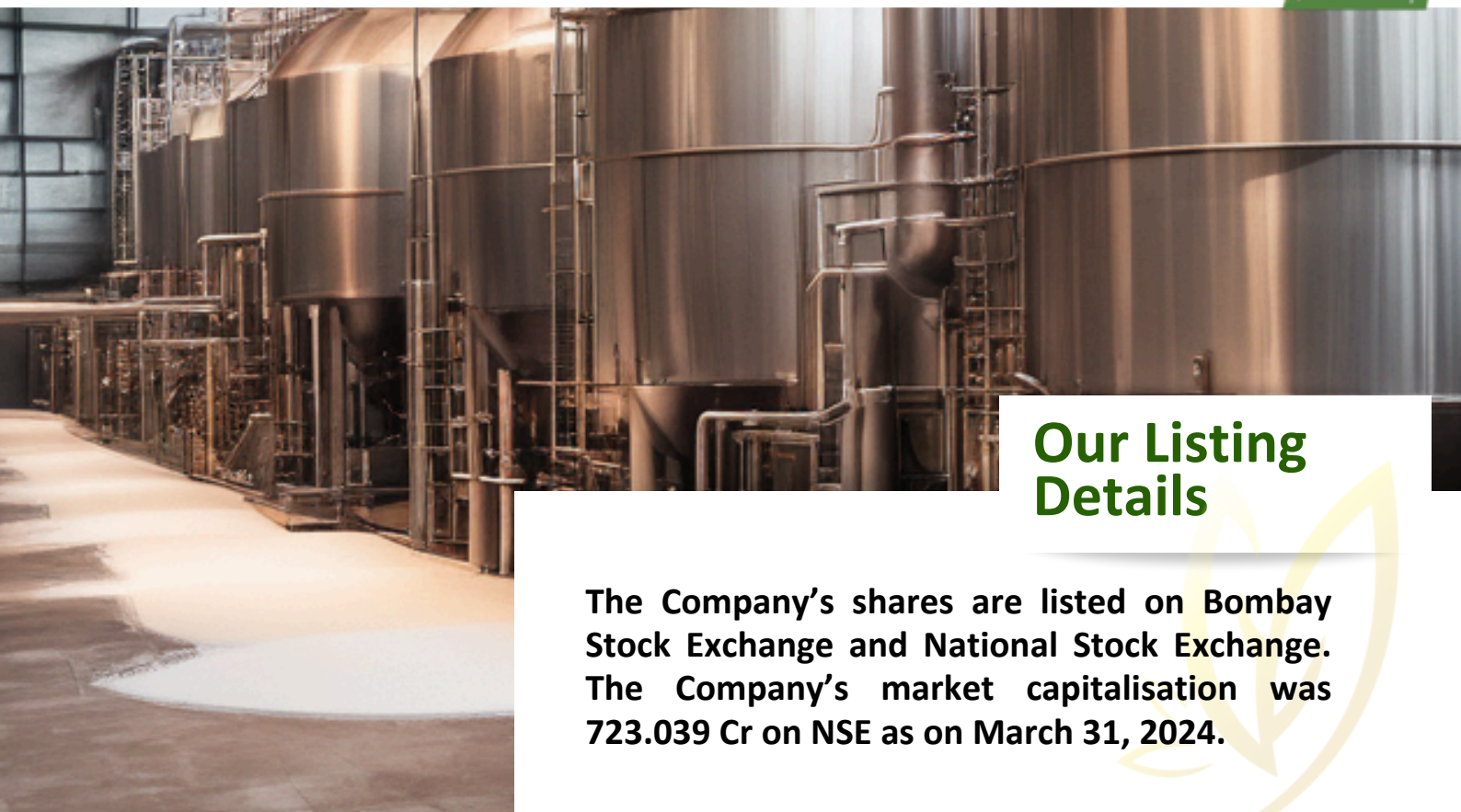
Our Vendors

Davangere Sugar Ltd. has developed longstanding relationships with farmers due to multi-decade experience. The company's farmer relationships comprised 4990 individuals as on 31st March, 2024.



Our Listing Details

The Company's shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company's market capitalisation was 723.039 Cr on NSE as on March 31, 2024.



Our Products

Sugar Business



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 2,83,874 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. 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
196360 Qtls



Sugar Recovery
9.33%



Sugarcane Crushed
324482 MTs



Capacity Utilization (FY24)
66.97%

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

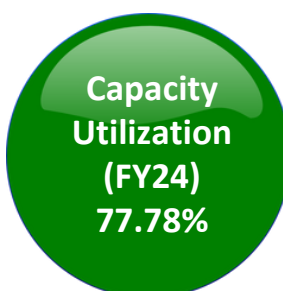
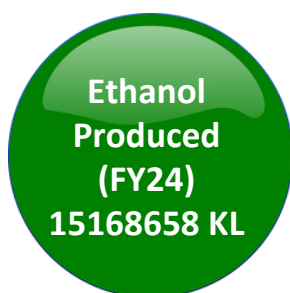


Sound techno commercial viability



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 65 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 110 KLPD with the projected timeline for completing the expansion plan set for the year 2025.



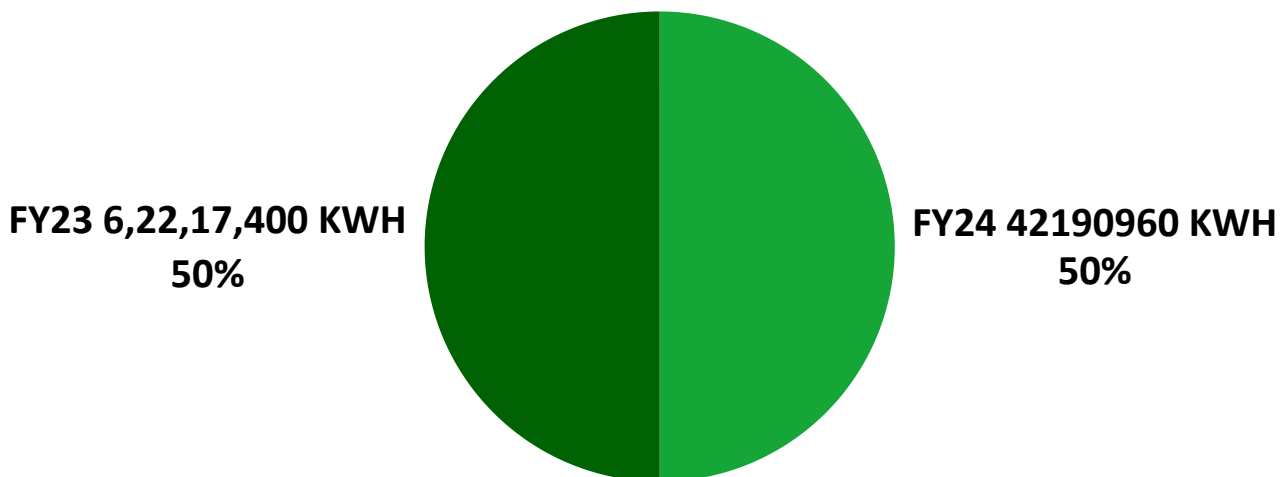
Co-Generation Business:



In FY2023-24, 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 6,22,17,400 KWH (Kilowatt-hours) in FY23, the company has achieved significant progress, recording an impressive output of 4,21,90,960 KWH in FY24.

Power Generation



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.

Annual Highlights

**Power Generated
(FY24)
42190960 KWH**

**Capacity Utilization
(FY24)
50.52%**



Our Journey Over The Years:

1970

Incorporated as Joint Sector Company

1974

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

1995

Shamanaur 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



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 433 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



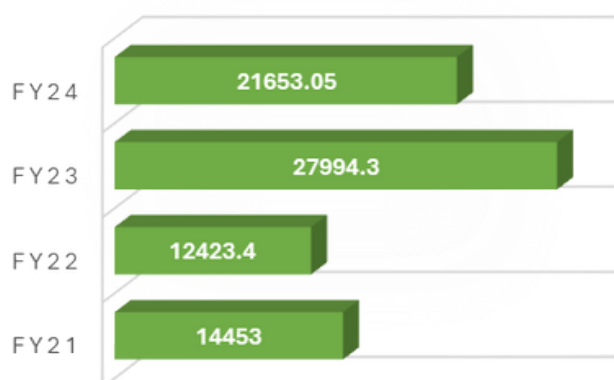
Our Financial highlights:

From the very beginning, we have firmly believed that numbers speak volumes. Our journey has been marked by steady growth and remarkable resilience, even in the face of challenging economic downturns.

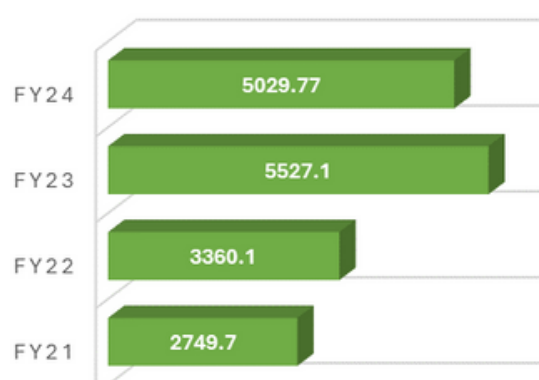
The past year was no exception, as we encountered obstacles stemming from industry and economic uncertainties. Nonetheless, we deftly navigated through these hurdles, employing carefully planned strategies to stay on track with our strategic goals. Our ability to adapt and focus on our priorities amidst adversity underscores our determination and commitment to success.

The commencement of ethanol production in June 2022 resulted in a significant boost to our top line, leading to a remarkable 125% increase in revenue. This new venture has evidently had a substantial positive impact on our overall business performance.

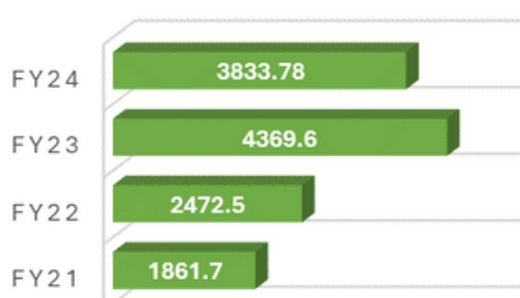
**Revenue from Operations
(Rs. in Lakhs)**



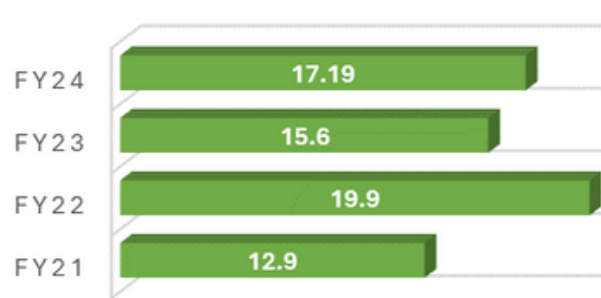
EBITDA (Rs. in Lakhs)



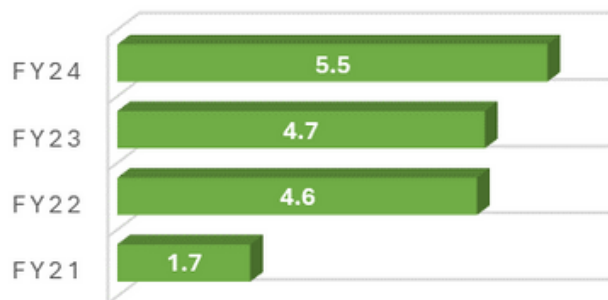
EBIT (Rs. in Lakhs)



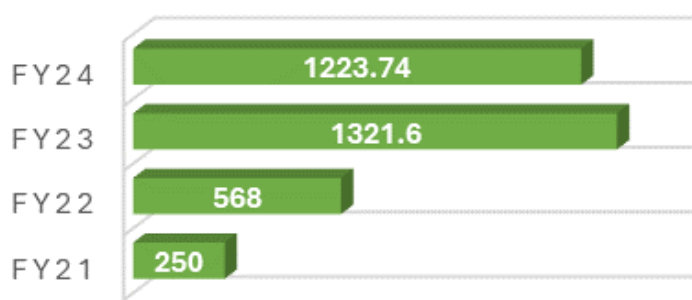
EBIT Margin (%)



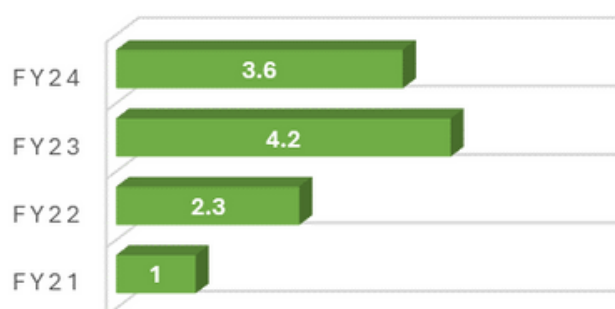
PAT Margin (%)



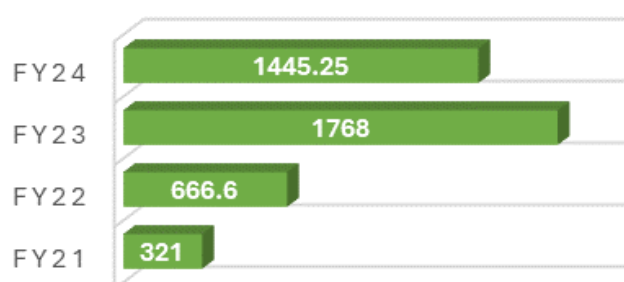
Profit After Tax (Rs. in Lakhs)



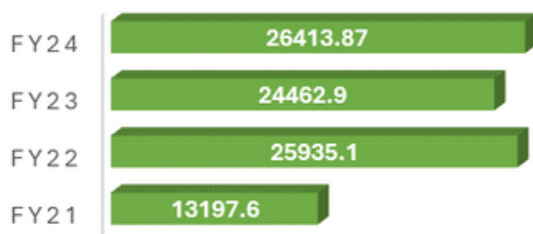
Return on Equity (ROE) (%)



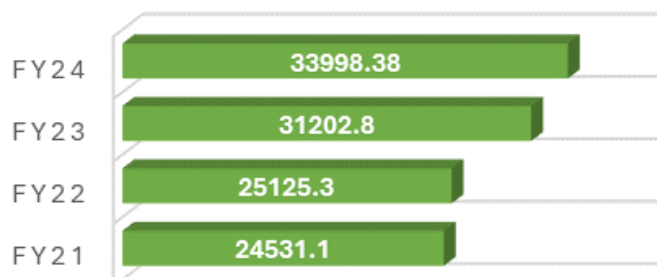
Profit Before Tax (PBT) (Rs. in Lakhs)



Total Borrowings (Rs. in Lakhs)



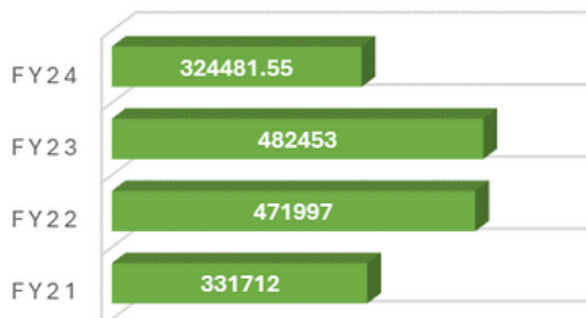
Total Shareholders Equity (Rs. in Lakhs)



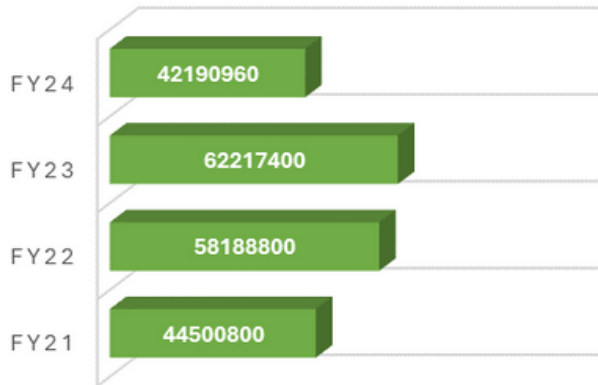
Total Debt-Equity Ratio (in times)



Sugar Cane Crushed (in MTs)



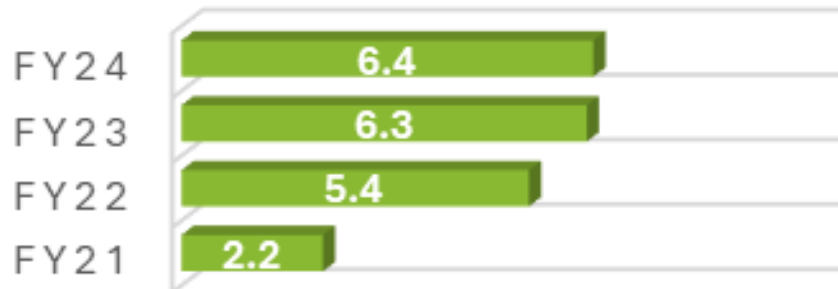
Power Generated (in Kwh)



EBITDA Margin (in %)



PBT Margin (%)





Our Performance Indicators

Particulars	Mar 24	Mar 23	Mar 22
PER SHARE RATIOS			
Basic EPS (Rs.)	1.30	1.48	1.02
Diluted EPS (Rs.)	1.30	1.48	1.02
Cash EPS (Rs.)	2.57	2.63	2.61
Book Value [Excl.RevalReserv]/Share (Rs.)	36.14	33.16	45.12
Book Value [Incl.RevalReserv]/Share (Rs.)	36.14	33.16	45.12
Revenue From Operations / Share (Rs.)	23.01	29.75	22.31
PBDIT / Share (Rs.)	5.50	5.99	6.22
PBIT / Share (Rs.)	4.23	4.76	4.63
PBT / Share (Rs.)	1.54	1.88	1.20
Net Profit / Share (Rs.)	1.30	1.40	1.02

PROFITABILITY RATIOS	Mar 24	Mar 23	Mar 22
PBDIT Margin (%)	23.90	20.14	27.88
PBIT Margin (%)	18.38	16.00	20.73
PBT Margin (%)	6.67	6.31	5.36
Net Profit Margin (%)	5.65	4.72	4.57
Return on Networth / Equity (%)	3.59	4.23	2.26
Return on Capital Employed (%)	8.70	10.58	5.89
Return On Assets (%)	1.79	2.21	0.95
Long Term Debt / Equity (X)	0.20	0.30	0.44
Total Debt / Equity (X)	0.77	0.78	1.03
Asset Turnover Ratio (%)	0.33	0.47	0.24

LIQUIDITY RATIOS	Mar 24	Mar 23	Mar 22
Current Ratio (X)	1.33	1.38	1.53
Quick Ratio (X)	0.78	0.84	0.78
Inventory Turnover Ratio (X)	1.01	1.50	1.68
COVERAGE RATIOS			
Interest Coverage Ratio (%)	2.04	2.08	1.81
Interest Coverage Ratio (Post Tax) (%)	1.48	1.49	1.30



Our Performance Indicators

VALUATION RATIOS	Mar 24	Mar 23	Mar 22
Enterprise Value (Cr.)	970.58	783.90	341.55
EV / Net Operating Revenue (X)	4.48	2.80	2.75
EV / EBITDA (X)	18.75	13.90	9.86
MarketCap / Net Operating Revenue (X)	3.28	1.94	0.72
Price / BV (X)	2.09	1.74	0.35
Price / Net Operating Revenue (X)	3.28	1.94	0.72
Earnings Yield	0.01	0.02	0.06

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 10 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 Information systems from New Jersey Institute of Technology, USA. She has rich experience in hotel Industry and She is currently managing the Hotel Southern Star Davangere.



Smt. Veena Umpathy **Independent Director**

Being an Independent Director of the Company, she holds a BSc. degree in Food Technology and boasts a wealth of experience exceeding 10 years in her respective field. Her expertise in Food Technology brings valuable insights to the company, particularly in areas related to food production, quality control, and safety standards. As an Independent Director, she plays a vital role in providing guidance and strategic direction, leveraging her extensive knowledge to contribute to the company's growth and success in the food industry.

Mr. Tumbegere Rudrappa **Independent Director**

He is a Independent Director of the Company. he has technical qualification from the Industrial Technical Institute, he has got vast experience in Industrial engineering his experience is great contribution to the company in running the production line in efficient manner.

Mr. Thappagondanahally Rajashekarappa **Independent Director**

He holds the position of an Independent Director in our company and has a background in commerce. His area of specialization lies in accounts, direct taxation, and indirect taxation. He plays a crucial role in providing our company with professional advice and guidance in matters related to accounts and taxation. With his expertise, he contributes significantly to our financial decision- making processes and ensures compliance with tax regulations.

CHAIRMAN'S MESSAGE



Ladies and Gentlemen, it gives me immense pleasure to present the 53rd Annual Report of Davangere Sugar Company Limited ("the Company") as we stand at the threshold of a new chapter in the remarkable journey. The past year has been a transformative for the Company. We weathered challenging market conditions, emerged stronger, and are now poised for future growth. Our commitment to operational excellence, sustainability, and social responsibility remains unwavering.

Our company has always been a beacon of innovation, sustainability, and commitment to the communities we serve, and I am proud to share with you some of the significant developments and strategic initiatives that will propel us into the future.

Expansion of Grain Distillery Operations

I am pleased to announce that the Company is undertaking a major expansion of our grain distillery operations. We are adding an additional 45 KLPD grain-based unit at a project cost of Rs. 54 crores. This expansion is not just a testament to our commitment to growth, but also to our unwavering support for the local agricultural community. The financial tie-up with banks has been completed, and Rs. 2.00 crores have already been invested in civil works, with the negotiations with machinery suppliers successfully concluded.

This new unit will enable us to operate independently for 330 days a year, ensuring a robust and steady production cycle. Our increased procurement of maize, rice, and other feedstocks directly from local farmers strengthens our commitment to promoting sustainable farming practices and supporting the local economy.

Further I would like to emphasize that, "The quality crops provided by our local farmers are the cornerstone of our ethanol production. This expansion allows us to create more jobs, boost local incomes, and maintain our high standards year-round." This mutually beneficial relationship between the Company and our local agricultural partners will undoubtedly enhance the region's agricultural landscape, providing stability and growth opportunities for all involved.

Targeted Expansion of Sugarcane Cultivation

In addition to our distillery expansion, the Company is also committed to revolutionize the sugarcane cultivation in the regions of operations. Our goal is to increase the sugarcane growing area by 15,000 acres. This expansion will not only secure a sustainable supply of raw materials for our company but also bring about significant socio-economic benefits for the farmers in these regions.



We are committed to providing these farmers with assured and timely returns on their produce. To support this, we are offering financial assistance and loans to help them invest in modern agricultural practices, procure quality seeds, and access essential equipment.

At the Company, we recognize that the success of our business is intricately linked with the prosperity of the farming community. Through collaborative efforts, we aim to enhance productivity, optimize resource utilization, and ensure sustainable agricultural practices.

Our vision for sugarcane cultivation goes beyond profitability; it's about fostering inclusive growth, empowering communities, and pioneering sustainable agricultural practices. We are actively involved in research and development initiatives aimed at improving sugarcane varieties, increasing yields, and mitigating environmental impact. With the Company leading the way, sugarcane cultivation in non-traditional areas will become a viable option and a catalyst for rural development and economic transformation.

Commissioning of 35 TPD Capacity CO₂ Processing Plant

In our continued efforts towards environmental sustainability and business growth, I am excited to announce the commissioning of a state-of-the-art 35-ton Carbon Dioxide (CO₂) processing plant. This facility will capture and repurpose carbon dioxide emissions, transforming them into valuable products such as food-grade CO₂ and dry ice, as well as CO₂ for industrial applications.

This initiative not only reflects our commitment towards innovation and sustainability but also aligns with global efforts to combat climate change while enhancing our operational efficiency. By converting emissions into useful products, we are minimizing our environmental footprint and diversifying our revenue sources, ensuring a steady revenue flow and promoting eco-friendly practices.

We are committed towards innovation and sustainability, aligned with the global efforts to combat climate change.

Strategy to Maximize Ethanol Production

Looking ahead, the Company has set an ambitious target for the financial year 2024-2025. We plan to maximize ethanol production primarily from maize and other damaged grains until the crushing season begins in October 2024. The government's encouragement of ethanol production from maize, coupled with the establishment of a National Coordinating Agency (National Agricultural Cooperative Marketing Federation of India: NAFED) to procure maize from farmers and supply it to sugar factories, presents a significant opportunity for our company.

The Country's Ethanol blending program is continuing in line with Government target. The government is encouraging the industry to put up new Ethanol capacities by giving soft loans, and price in line with cost. Various states like Bihar, Jharkhand, and West Bengal are offering capital subsidies, interest rate subventions, and other benefits for setting up new ethanol units.



This policy, along with other incentives, has significantly increased ethanol supplies. Reduction in GST on Ethanol from 18% to 5%, I(D&R) Act amendment 2016, restriction on import of alcohol for blending, fast payments, eased tender conditions are creating a win-win situation for both oil and sugar industry.

Furthermore, the recent launch of E20 (20% ethanol blended petrol) and upcoming introduction of Flex-Fuel Vehicles (FFVs) capable of using higher ethanol blends promise significant growth in the ethanol sector. Recognizing the evolving market dynamics and the government's push, the Company is planning to increase its ethanol production this year.

We have strategically partnered with surrounding village farmers, providing them with sugarcane seeds and other inputs at subsidized rates to help them achieve higher yields and enhance their commercial benefits. Our target is to achieve 15,000 acres of sugarcane cultivation for the forthcoming season, further solidifying our commitment to sustainable agricultural practices and community development.

Looking ahead, we are confident that by working collaboratively with our stakeholders – shareholders, partners, lenders, employees, and sugarcane farmers – we can navigate the evolving sugar industry landscape and build a future of shared success.

In closing, I would like to emphasize that the Company's success is deeply rooted in our commitment to innovation, sustainability, and the communities we serve. The initiatives I have outlined today are not just about expanding our business; they are about creating a lasting positive impact on the environment, the economy, and the lives of the people associated with us. Together, let us continue to push the boundaries of what is possible, fostering growth and prosperity for all. I am confident that with your support, the Company will continue to thrive and set new benchmarks in the industry.

Sincerely

Mr. Shamanur S. Ganesh

**Chairman and Managing Director
(Davangere Sugar Company Limited)**

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 53RD ANNUAL GENERAL MEETING OF THE MEMBERS OF DAVANGERE SUGAR COMPANY LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2024, AT THOGATAVEERA SAMUDHAYA BHAVANA, M.C.C. 'A' BLOCK, DAVANGERE – 577 004 AT 11.30 A.M.

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 at 31st March, 2024 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, 2024 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.

SPECIAL BUSINESS

3. RATIFICATION OF REMUNERATION OF COST AUDITOR FOR THE F.Y 2024-25

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 2024-25 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.”

4. RE-APPOINTMENT OF MR. SHAMANUR SHIVASHANKARAPPA GANESH AS THE MANAGING DIRECTOR OF THE COMPANY

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 Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Shamanur Shivashankarappa Ganesh be and is hereby re-appointed as the Managing Director of the Company for a further period of 5 (five) years effective from September 24, 2024 to September 23, 2029 on the terms and

conditions as set out in the Explanatory Statement annexed to this notice and whose period of office shall not be liable to determination by retirement of directors by rotation.

“RESOLVED FURTHER THAT as a Managing Director of the Company, Mr. Shamanur Shivashankarappa Ganesh shall, subject to the supervision, control and directions of the Board of Directors of the Company, continue to exercise substantial powers of management and shall manage the business and affairs of the Company”.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee of the board is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. APPOINTMENT OF MS. VINITA DILIP MODAK AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 149, 150, 152,161 and other applicable provisions of the Companies Act, 2013(hereinafter “The Act”) and the Rules made thereunder, (including any amendment, modification, variation or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013,and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations”) thereof, as amended from time to time, and the appropriate article(s) of the Articles of Association of the Company, the approval of Members be and is hereby accorded for the appointment of Ms. Vinita Dilip Modak (DIN: 10763274) , who has been appointed by the Board of the Company as an Additional Director in the category of an Independent Director with effect from 06th September 2024 and who fulfills the criteria of Independence as prescribed under Section 149(6) of the Act, and the Rules made thereunder, relevant provisions of the LODR Regulations, 2015 and whose candidature has been recommended by the Nomination and Remuneration Committee (NRC), be and is hereby appointed as an Independent Director of the company for a period of one year with effect from 06th September 2024 until 05th September 2025 upon the payment of such sitting fees as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Act, and reimbursement of the out of pocket expenses at actual.

RESOLVED FURTHER THAT any Director, Company Secretary & Compliance Officer and/or the Chief Financial Officer of the Company, be and are hereby authorized, jointly or severally, to do all such acts, deeds and things and execute all such documents, instruments and writings, obtain necessary approvals from Shareholders, Regulators or Other Authorities as may be required under the Act or any other Regulations for the time being in force, to carry out the aforesaid Resolution.

RESOLVED FURTHER THAT any Director, Company Secretary & Compliance Officer and/or the Chief Financial Officer, be and is hereby authorized severally to file necessary Forms / Returns with the Registrar of Companies/MCA and to make necessary entries in the statutory registers to that effect and to do all act(s), deed(s) or thing(s) as may be incidental thereto required in this regard.

6. APPOINTMENT OF MRS. HIMA BINDU SAGALA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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 149, 150, 152,161 and other applicable provisions of the Companies Act, 2013(hereinafter “The Act”) and the Rules made thereunder, (including any amendment, modification, variation or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013,and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations”) thereof, as amended from time to time, and the appropriate article(s) of the Articles of Association of the Company, the approval of Members be and is hereby accorded for the appointment of Mrs. Hima Bindu Sagala (DIN: 09520601), who has been appointed by the Board of the Company as an Additional Director in the category of an Independent Director with effect from 06th September 2024 and who fulfills the criteria of Independence as prescribed under Section 149(6) of the Act, and the Rules made thereunder, relevant provisions of the LODR Regulations, 2015 and whose candidature has been recommended by the Nomination and Remuneration Committee (NRC), be and is hereby appointed as an Independent Director of the company for a period of one year with effect from 06th September 2024 until 05th September 2025 upon the payment of such sitting fees as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Act, and reimbursement of the out of pocket expenses at actual.

RESOLVED FURTHER THAT any Director, Company Secretary & Compliance Officer and/or the Chief Financial Officer of the Company, be and are hereby authorized, jointly or severally, to do all such acts, deeds and things and execute all such documents, instruments and writings, obtain necessary approvals from Shareholders, Regulators or Other Authorities as may be required under the Act or any other Regulations for the time being in force, to carry out the aforesaid Resolution.

RESOLVED FURTHER THAT any Director, Company Secretary & Compliance Officer and/or the Chief Financial Officer, be and is hereby authorized severally to file necessary Forms / Returns with the Registrar of Companies/MCA and to make necessary entries in the statutory registers to that effect and to do all act(s), deed(s) or thing(s) as may be incidental thereto required in this regard.

7. TO APPROVE REQUESTS RECEIVED FROM PERSONS BELONGING TO PROMOTERS/ PROMOTER GROUP FOR RECLASSIFICATION FROM “PROMOTERS / PROMOTER GROUP” CATEGORY TO “PUBLIC” CATEGORY.

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

“RESOLVED THAT pursuant to the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) including any statutory modification(s) or reenactments thereof, for the time being in force and other relevant provisions, and subject to necessary approvals from BSE Limited and NSE Limited, (hereinafter referred to as Stock Exchanges), and such other statutory authorities as may be required, approval of the Members be and is hereby accorded for re-classification of the following Promoters/ Promoter Group (collectively referred to as ‘Outgoing Promoters’) from “Promoters / Promoter Group” category to “Public” category.”;

Sr. no	Name of promoter seeking reclassification	Number of shares held	% of holding
1.	S S Mallikarjuna	2081740	0.22
2.	Shamanur Shivashankarappa	0	0
3.	S B Murugesh	0	0

RESOLVED FURTHER THAT in supersession of any resolutions / agreements / contracts / arrangements etc. special rights of the Outgoing Promoters, if any, with respect to the Company through formal or informal arrangements including through any shareholder's agreements, if any, shall stand withdrawn/terminated and be null and void, with immediate effect;

RESOLVED FURTHER THAT the above Outgoing Promoters confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of Listing Regulations have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with the conditions mentioned under sub-regulation (4) of Regulation 31A of Listing Regulations post reclassification from "Promoters / Promoter Group" to "Public";

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the above Outgoing Promoters, the Company shall effect such reclassification in the Shareholding pattern filed from immediate succeeding quarter under Regulation 31 of Listing Regulations and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions;

RESOLVED FURTHER THAT any of the Directors (including any committee thereof or the officers authorised by the Board in this regard), Chief Financial Officer and the Company Secretary of the Company, be and are hereby severally authorized, to perform and execute all such acts, deeds, matters and things including but not limited to submit requisite application(s), requisition(s), intimation/ filings, undertakings, seeking approvals from the Stock Exchanges, and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution

8. TO APPROVE THE RIGHTS ISSUE OF SHARES.

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

RESOLVED THAT pursuant to the provisions of Section 23, Section 62 and all other applicable provisions of the Companies Act, 2013, as amended, read together with the rules thereunder (including any modifications or re-enactments thereof, for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Foreign Exchange Management Act, 1999, as amended) (and all applicable statutory/regulatory requirements and in accordance with the relevant provisions of the memorandum of association and articles of association of the Company and the listing agreements entered into by the Company



with the stock exchanges where the Company's equity shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI"), and/ or any other appropriate authorities, including any other statutory/regulatory authority, banks, financial institutions or other creditors, and subject to such terms, conditions and modifications as may be prescribed by any of the aforesaid authorities in connection with granting any such approval, consent, permission, or sanction, and which may be agreed to by the board of directors of the Company (hereinafter referred to as the "Board") or any committee of the Board which the Board may have constituted or may constitute to exercise its powers including the power conferred by this resolution, the approval of Members be and is hereby accorded to create, offer, issue and allot equity shares of face value ₹ 1 each, ("Rights Equity Shares") by way of rights issue, to the existing shareholders of the Company as on a specified record date for an amount aggregating up to Rs. 400 Crores on a rights basis, ("Rights Issue"), through a [draft letter of offer / letter of offer] and / or such other documents, in such manner and on such terms and conditions as may be determined by the Board or a committee of the Board in its absolute discretion at the time of the Rights Issue, subject however to applicable statutory and/or regulatory requirement.

RESOLVED FURTHER THAT Mr. Shamanur Shivashankarappa Ganesh, Managing Director of the Company and Ms. Nidhi Vaswani Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as deemed necessary, proper or desirable in this regard, to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interest of the Company.

Date: 06th September, 2024

Place: Davangere

By the Order of Board

For Davangere Sugar Company Limited

Sd/-

Shamanur S. Ganesh

Managing Director

DIN: 00451383



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 Item no. 3 to 8 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 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 per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act 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 23rd September, 2024. ("Cut-off date") 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 (www.nestle.in); 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 the 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. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution, authorizing their representative to attend and vote on their behalf at this General Meeting.
7. Special business is proposed to be transacted at the Annual General Meeting and thus the Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, is provided thereto.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2024 to 30th September, 2024. (both days inclusive) for the purpose of the AGM.
9. Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
11. Members who are holding Company's shares in dematerialized form are required 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 Agents for shares held in physical form & 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 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 opened for inspection at the Registered Office of the Company on all working days, between 12 P.M. to 4 P.M. up to the date of the Annual General Meeting.
15. Members are requested:
 - a. To quote their folio Nos. 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 their change in Bank Mandate/ National Electronic Clearing Service (NECS) details (form can be downloaded from our website of the Company i.e. www.davangeresugar.com, and /or, update their PAN and Bank Account details through a request letter along with self-attested copy of PAN, original cancelled cheque with preprinted name of the Shareholder (old and new both bank details) and bank attested copy of passbook/ statement showing name of the account holder to M/s. Integrated Registry Management Services Pvt. Ltd, Share Transfer Agent at their address at Ramana Residency, Sampige Road, Malleswaram, Bengaluru. Beneficial owners holding shares in electronic form are requested to intimate their change in Bank Mandate/ NECS details, if any, to their respective Depository Participants (DPs) in order to get the same registered.
17. Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
18. For members who hold shares in physical form, the Securities and Exchange Board of India ("SEBI"), vide its Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May 2023 read with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated 26th September 2023, has mandated furnishing of PAN linked with Aadhaar, KYC details (i.e., postal address with PIN code, e-mail address, mobile number, bank account details, etc.) and nomination by holders of securities. In case any of the aforesaid documents/ details are not available in the record of the Company/ Registrar and Share Transfer Agent ("RTA"), our RTA will be required to freeze such members' folio(s) impeding submission. In view of the above, new share certificate(s) to be issued by the Company shall not be dispatched to those members holding shares in physical form until their KYC is completed. For members who hold shares in demat form, they should keep their bank details, e-mail address, postal address and contact number updated in their demat account(s) maintained with Depository Participant(s).
19. In terms of Section 72 of the Companies Act, 2013, a Member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the Company/RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.
20. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the e-voting facility to the members to exercise their right to vote by electronic means. The



Company has fixed 23rd September, 2024 as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules made thereunder.

21. The e-voting period will commence at 09.00 A.M. on 27th September, 2024 and will end at 05.00 P.M. on 29th September, 2024. The Company has appointed Ms. Ashwini Inamdar (FCS No. 9409/CP No. 11226), Partner, M/s. Mehta and Mehta, Company Secretaries to act as Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e- voting given as Annexure to the Notice.
22. The Company has engaged the services of M/s. Integrated Registry Management Services Pvt. Ltd and NSDL as the Authorized Agencies to provide e-voting facilities.
23. SEBI vide its Master Circular SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated 11th August 2023, has introduced Online Dispute Resolution (ODR), which is in addition to the existing SCORES platform which can be utilized by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform.
24. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialize form. To avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.



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 23rd September, 2024.

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

The remote e-voting period begins at 09.00 A.M. on 27th September, 2024 and will end at 05.00 P.M. on 29th September, 2024. 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. 23rd September, 2024 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 23rd September 2024.

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
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.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 If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 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 e-voting is in progress as per the information provided by company. On clicking the e-voting 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. 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 e-voting 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.

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:
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:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) How to retrieve your 'initial password'?
 - (i) 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'.
 - (ii) 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:
 - a) 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.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) 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.
 - d) 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 8 of this Notice of AGM ('Notice'), is annexed herewith.

Item 3:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. M. R. Krishna Murthy, Cost Accountant, (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 2024-25 at its Board meeting held on 06th September, 2024, 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 2024-25.

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 2024-25. 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. 3 of this Notice except as mentioned in the explanatory statement, if any.

Item 4:

Mr. Shamanur Shivashankarappa Ganesh was re-appointed as the Managing Director of the Company for a period of five years with effect from 24 September, 2019, post approval of the Members. The present term of Mr. Shamanur Shivashankarappa Ganesh comes to an end on 23rd September 2024.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Shamanur Shivashankarappa Ganesh as Managing Director for a further period of five years effective from September 24, 2024 to September 23, 2029.

Mr. Shamanur Shivashankarappa Ganesh is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. He satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The remuneration of Mr. Shamanur Shivashankarappa Ganesh as Managing Director shall be determined by the Board of Directors, from time to time within maximum limits upto 42,00,000/- p.a. The terms and conditions including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of his appointment is mentioned in the



draft letter of appointment placed before the meeting approved by the Board of Directors at their meeting held on 06.09.2024 in accordance with the requirements of the Act and within the limits approved by the Members of the Company.

None of the Directors except Mr. Abhijith Shamanur and Mrs. Swathi Shamanur being the relatives are interested in the above resolution. None of 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.

Item 5:

Ms. Vinita Dilip Modak was appointed as an Additional Director in the capacity of Independent Director, by the Board of Directors at their meeting held on 06th September, 2024.

As per Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, approval of the members has to be obtained for the appointment or reappointment of a person on the Board of directors at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

The Company has received:

- i. consent in writing from Ms. Vinita Dilip Modak to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),
- ii. intimation in Form DIR 8 in terms of the Appointment Rules from Ms. Vinita Dilip Modak to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act, and
- iii. a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time (hereinafter referred to as "LODR Regulations").
- iv. Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that she has not been debarred from holding office of a director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

The Board of Directors have while approving the appointment of Ms. Vinita Dilip Modak as an Additional Director in the capacity of an Independent Director, considered her candidature based on the evaluation, qualification, expertise, track record, integrity, due diligence, and the satisfaction of the 'fit and proper criteria. In the opinion of the Board, she fulfils the conditions for independence as specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force. The Board has noted that Ms. Vinita Dilip Modak skills, background and experience are aligned to the role and capabilities identified for the Independent Directors and that Ms. Vinita Dilip Modak is eligible for appointment as an Independent Director.



The resolution seeks the approval of members for the appointment of Ms. Vinita Dilip Modak as an Independent Director of the Company from 06th September, 2024, to 05th September 05, 2025, pursuant to Sections 149 read with Schedule IV, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and Regulation 17 of the LODR Regulations and she shall not be liable to retire by rotation. The profile and specific areas of expertise of Ms. Vinita Dilip Modak and other relevant information as required under LODR Regulations and SS-2 are provided as annexure.

No director, key managerial personnel or their relatives except Ms. Vinita Dilip Modak to whom the resolution relates is deemed to be interested in or concerned with the resolution in any manner financially or otherwise.

Item 6

Mrs. Hima Bindu Sagala was appointed as an Additional Director in the capacity of Independent Director, by the Board of Directors at their meeting held on 06th September, 2024.

As per Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, approval of the members has to be obtained for the appointment or reappointment of a person on the Board of directors at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

The Company has received consent in writing from Mrs. Hima Bindu Sagala to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'), intimation in Form DIR 8 in terms of the Appointment Rules from Mrs. Hima Bindu Sagala to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act, and a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time (hereinafter referred to as "LODR Regulations").

Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that she has not been debarred from holding office of a director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

The Board of Directors have while approving the appointment of Mrs. Hima Bindu Sagala as an Additional Director in the capacity of an Independent Director, considered her candidature based on the evaluation, qualification, expertise, track record, integrity, due diligence, and the satisfaction of the 'fit and proper criteria. In the opinion of the Board, she fulfils the conditions for independence as specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force. The Board has noted that Mrs. Hima Bindu Sagala skills, background and experience are aligned to the role and capabilities identified for the Independent Directors and that Mrs. Hima Bindu Sagala is eligible for appointment as an Independent Director.



The resolution seeks the approval of members for the appointment of Mrs. Hima Bindu Sagala as an Independent Director of the Company from 06th September, 2024, to 05th September 05, 2025, pursuant to Sections 149 read with Schedule IV, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and Regulation 17 of the LODR Regulations and she shall not be liable to retire by rotation. The profile and specific areas of expertise of Mrs. Hima Bindu Sagala and other relevant information as required under LODR Regulations and SS-2 are provided as annexure.

No director, key managerial personnel or their relatives except Mrs. Hima Bindu Sagala to whom the resolution relates is deemed to be interested in or concerned with the resolution in any manner financially or otherwise.

Item 7

The Company had received request letter from person belonging to promoters/ Promoter Group’ (collectively referred to as ‘Outgoing Promoters’) for reclassifying them from ‘Promoters/Promoter Group’ to ‘Public’ under regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) The shareholding of Outgoing Promoters of the Company as follows:

Sr. no	Name of promoter seeking reclassification	Number of shares held	% of holding
1.	S S Mallikarjuna	2081740	0.22
2.	Shamanur Shivashankarappa	0	0
3.	S B Murugesh	0	0

The Outgoing Promoters ceased to hold any right in the management and/or control in the Company in any manner. Based on the requests received by the Company and pursuant to the provisions of Regulation 31A(3)(b) of the Listing Regulations, the aforesaid Outgoing Promoters seeking reclassification have confirmed that–

- i) They, together with persons acting in concert with them, do not hold more than ten per cent of the total voting rights in the Company; The Outgoing Promoters hold 0.22% per cent of the total shareholding in the Company.
- ii) They do not exercise control over the affairs of the Company whether directly or indirectly;
- iii) They do not have any special rights with respect to the Company through formal or Informal arrangements including through any shareholder agreements and any special rights as on the date of this resolution, stands superseded;
- iv) They do not represent on the Board of Directors (including not having a Nominee Director) of the Company;
- v) They do not act as a Key Managerial Person in the Company;
- vi) They are not ‘wilful defaulters’ as per the Reserve Bank of India Guidelines;



- vii) They are not fugitive economic offender

Further, the aforesaid Outgoing Promoters have confirmed that subsequent to reclassification, they would continue to comply with the requirements as mentioned in Regulation 31A (4) of the Listing Regulations.

In view of the provisions of Regulation 31A of the Listing Regulations and on satisfaction of the conditions specified in Regulation 31A (3)(b) of Listing Regulations and compliance of Regulation 31A (4) of Listing Regulations, the said requests for reclassification were considered, and approved by the Board of Directors at its meeting held on 06th September, 2024.

In accordance with Regulation 31A of the Listing Regulations, the reclassification of status of a shareholder from 'Promoters/ Promoter Group' category to 'Public', inter alia, requires approval of shareholders of the Company by way of an Ordinary Resolution, in which the Outgoing Promoters and persons related to the Outgoing Promoters will not vote to approve the resolution. Accordingly, the Board recommends the resolution proposed in Item No. 7 of the Notice for the approval of members by way of an Ordinary Resolution. Upon receipt of approval of the shareholders, an application in this regard shall be submitted to the stock exchanges for their approval. 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. 7 of this Notice except as mentioned in the explanatory statement, if any.

Item 8

The Company has both short term and long –term strategic plans to reduce its existing debts by repaying majority of its short term and long-term loans, to finance its capex on expansion of its distillery unit and further strengthen its Working Capital position to expand its business activities. Therefore, the Company has proposed the issue of Equity Shares on right basis for an amount aggregating up to Rs. 400 Crores on a rights basis, ("**Rights Issue**") to the existing shareholders of the Company to meet its capital requirements.

Accordingly, to meet the requirement of funds, the Board of Directors of the Company in its meeting held on September 06th 2024, subject to approval of the Shareholders of the Company, proposed to raise funds by issue of Equity Shares on right issue basis up to Rs. 400 Crores.

Hence, the Board recommends the resolution for approval of the Members. 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.

Date: 06th September, 2024

Place: Davangere

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

Brief Profile of Director/s seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Mr. Abhijith Ganesh Shamanur	Mr. Shamanur Shivashankarappa Ganesh
DIN	03451918	00451383
Age	35	63
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.	Graduated
Date of Appointment	30/08/2019	24/09/2019
Date of first appointment	09/06/2011	24/09/2006
Relationship with another director	Abhijith Shamanur is son of Mr. SS. Ganesh, Managing Director and husband of Mrs. Swathi Shamanur Non –Executive Director of the company.	Mr. SS. Ganesh is father of Mr. Abhijith Shamanur, Executive Director of the company and Father in law of Mrs. Swathi Shamanur Non –Executive Director of the company.
Brief resume, functional expertise, and experience	<p>He is associated with his father, managing the affairs of existing business concerns. He has joined the family business full time since October 2012.</p> <p>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</p>	<p>Being 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.</p>



	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.	
No. of shares held in the Company	69,14,724	4,08,85,373
Directorship held in other listed entities	NIL	NIL
Directorship in unlisted entities	NIL	3
Names of the listed entities from which the appointee has resigned in the past three years	NIL	NIL
Chairman/Member of the committee of the Company	1 (Member of Audit Committee)	NIL
No. of board meetings attended during the year	6	6
Remuneration drawn during year	NIL	NIL

Details of Director seeking appointment as an Independent 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	Ms. Vinita Dilip Modak	Mrs. Hima Bindu Sagala
Age	41 Years	41 Years
DIN	10763274	09520601
Date of first appointment	06th September 2024	06th September 2024
Qualification	Associate Company Secretary from Institute of Company Secretaries of India Cost and Management Accountant (Final) from The Institute of Cost & Management Accountant of India and M. Com from University of Pune.	Fellow Chartered Accountant (F.C.A)
Expertise	As a cost and management accountant 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 an 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	Ind As and International Taxation



	diligence Corporate advisory services and SCRA and regulations made thereunder Depositories Act.	
Other Directorships	NIL	Additional Director in Silverline Investment and Finance Private Limited
Listed companies	NIL	Independent Director in TGV SRAAC Limited
Details of Sitting fees sought to be paid	Sitting Fees as approved by the Board from time to time.	Sitting Fees as approved by the Board from time to time.
Shareholding in Davangere Sugar Company Limited	NIL	NIL
Relationship with Directors / KMP inter-se	NA	NIL
Terms and conditions of appointment	Independent Director, not liable to retire by rotation.	Independent Director, not liable to retire by rotation.
Recommendation of the Board	Board Resolution dated 06th September 2024	Board Resolution dated 06th September 2024

Date: 06th September, 2024

Place: Davangere

By the Order of Board
For Davangere Sugar Company
Limited
Sd/-

Shamanur S. Ganesh
Managing Director
DIN: 00451383



Form No. MGT-11

Davangere Sugar Company Limited

CIN L37100KA1970PLC001949

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]

53rd Annual General Meeting – 30 September 2024

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 53rd Annual General Meeting of the Company, to be held on Monday, 30 September 2024 at 11.30 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 year ended 31 March 2024 and 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 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment			
SPECIAL BUSINESS:				
3	Ratification Of Remuneration of Cost Auditor for The F.Y 2024-25			
4	Re-appointment of Mr. Shamanur shivashankarappa Ganesh as the Managing Director of the Company			
5	Appointment of Ms. Vinita Dilip Modak as an Independent Director of the company			



6	Appointment of Mrs. Hima Bindu Sagala as an Independent Director of the Company			
7	To Approve Requests Received from Persons belonging to Promoters/ Promoter Group for Reclassification from "Promoters / Promoter Group" Category to "Public" Category			
8	To Approve the Rights Issue of Shares.			

Signed this.....day of 2024

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

Affix One
Rupee
Revenue
Stamp here

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: L37100KA1970PLC001949

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

53rd Annual General Meeting – 30 September 2024

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 53rd Annual General Meeting of the Company, held on Monday, 30 September 2024 at 11.30 a.m. at Thogataveera Samudhaya Bhavana, M.C.C. 'a' block, Davangere – 577 004

.....

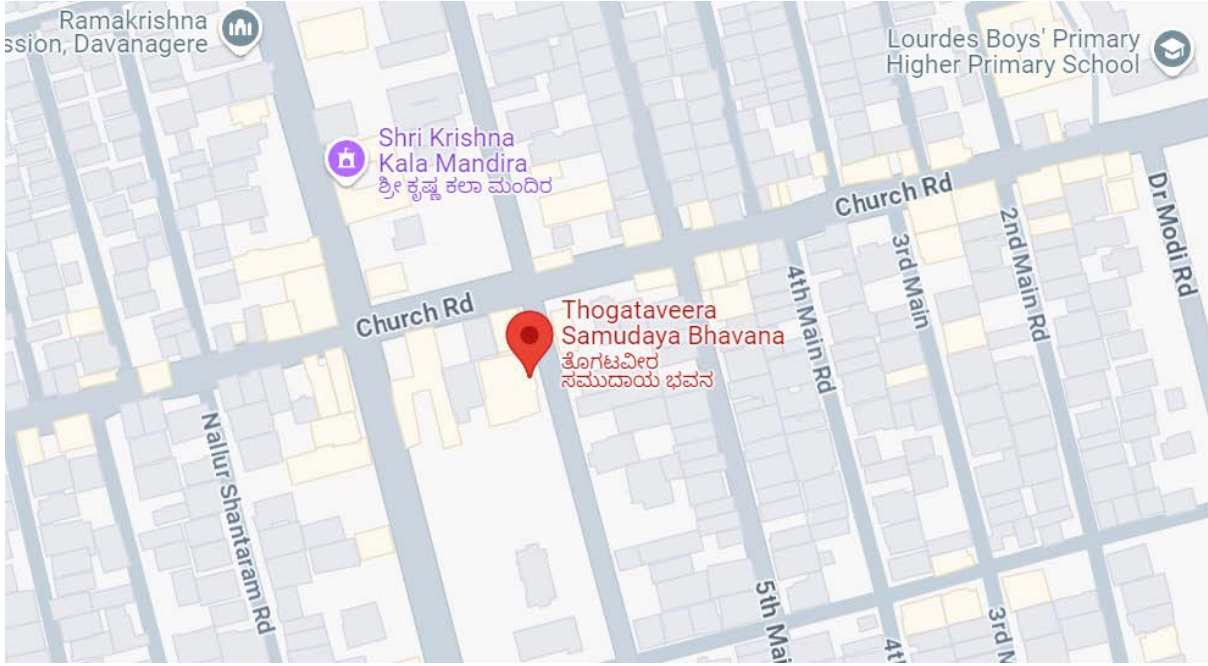
Signature of the Member/Proxy holder

* 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



Board's Report

Dear Members

Your Directors' present the 53rd 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, 2024.

Results of our operations and State of Affairs

The highlights of the standalone financial results are as under:

Particulars	(In Lacs)	
	FY 2023-24	FY 2022-23
Total Income	22296.72	28058.43
Profit/(loss)before financial expenses, depreciation and amortisation	5176.50	5637.03
Exceptional items		
Financial expenses	2535.27	2712.54
Depreciation	1195.99	1156.49
Profit/(loss)before provision for tax and exceptional items	1445.24	1768.00
Exceptional Items–Income	-	-
Provision for taxation:		
-Current Tax	252.48	330.68
-Deferred Tax/(Income)	(30.97)	115.78
Net Profit/(Loss)	1223.72	1321.55

Operating Highlights

The Company's financial performance for the year ended March 31, 2024 is summarized below:

The Company achieved total income of INR 22296.72 Lacs for the year ended 31st March 2024 as against INR 28058.43 Lacs for the previous year. The EBITDA for the year under review stood at INR 5176.50 Lacs as compared to INR 5637.03 Lacs for the previous year, while the Net Profit stood at INR 1223.72 Lacs as compared to INR 1321.55 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. However, in order to expand the business and monetize the subsidies laid down by the Government of India for the Sugar Industry, the Management commenced commissioning of Molasses based Ethanol unit in April 2021 at a total cost of Rs. 99.31 Crores. The commissioning of the plant is completed and the commercial production is started on 01st June, 2022.

Transfer to Reserves

During the year under review, for the Financial Year 2023-24, your Company does not propose transferring any amount to General Reserve. The amount of INR 1223.72 Lacs is proposed to be retained as surplus in the Profit and Loss Account.



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, 2024.

Share Capital

A) AUTHORISED SHARE CAPITAL:

During the year under review, there was no change in the Authorized Share Capital of the Company. The Authorized Share Capital stands at INR 10,000 Lacs divided into 10 Crores Equity Shares of Rs. 10/- each.

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

However, during the year under review, there was no change in the authorized or paid-up share capital of the Company.

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

There was no right issue of shares during the year.

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. 0112187W) were appointed as Statutory Auditors of the Company at the 50th Annual General Meeting (AGM) held on 29th September 2021, for a term of 5 years to hold office from the conclusion of the 50th AGM till the conclusion of 55th 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 2023-24, 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 May 24, 2024 issued by M/s. DGMS & Co, Chartered Accountants, and Statutory Auditors on the company's standalone financial statements for the financial year ended 2023-24 is a part of Annual Report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board had appointed M/s. Shivam Sharma and Associates, Practicing Company Secretaries, Mumbai (Membership No. ACS A35727, COP No. 16558), to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended 31st March 2024 is annexed herewith at **Annexure I** to this Report. There are no qualifications or observations made by the Secretarial Auditor in the said report. During FY 2023-24, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act.

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 2025. 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, Bangalore Cost Accountants, forms part of Notice convening 53rd 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:

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

Company has appointed M/S B Gangadhara and Co., Chartered Accountant, Davangere, (Membership No. 024094) as Internal Auditor of the Company, to conduct internal audit and to issue report thereon from financial year 2022-23 to the financial year 2024-25 and to review internal controls and operating systems and procedures as per the scope of the audit. The Internal Audit Reports of the company are reviewed by the Audit Committee on monthly basis. The Internal Auditors send the quarterly audit observation to the company and the same was presented to the Audit Committee, during the year.



Details of Directors and Key Managerial Personnel

Mr. Shamanur Shivashankarappa Ganesh was re-appointed as the Managing Director of the Company for a period of five years with effect from 24 September 2019. The present term of Mr. Shamanur Shivashankarappa Ganesh comes to an end on 23rd September 2024. The Board based on the recommendation of the Nomination and Remuneration recommends his re-appointment at the forthcoming Annual General Meeting for a further period of five years effective from September 24, 2024 to September 23, 2029. Brief Resume Mr. Shamanur Shivashankarappa Ganesh (DIN: 00451383), Director is circulated to the members as part of this Annual report.

On the recommendation of the Nomination and Remuneration Committee, the Board has appointed Mrs. Vinita Dilip Modak (DIN: 10763274) as an Additional Director in Independent Category with effect from 06. 09.2024. The appointment of Mrs. Vinita Dilip Modak as Independent Director for shareholders' approval is included in this 53rd AGM.

On the recommendation of the Nomination and Remuneration Committee, the Board has appointed Ms. Hima Bindu Sagala (DIN: 09520601) as an Additional Director in Independent Category with effect from 06. 09.2024. The appointment of Ms. Hima Bindu Sagala as an Independent Director for shareholders' approval is included in this 53rd AGM.

Directors retire by rotation

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company Mr. Abhijith Shamanur (DIN: 03451918), Director retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year 2023-24, there is no change in the composition of the Board of Directors. The Board of directors and KMP consists of:

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	Smt. Rekha Ganesh*	Director	Wife of M.D.
4	Sri Tumbegere Rudrappa	Independent Director	-
5	Sri Thappagondanahally Rajashekarappa	Independent Director	-
6	Sri Veena Umapathy	Independent Director	-

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024. Mrs. Swathi Shamanur was appointed as an Additional Non-Executive Director by Board of Directors in their meeting held on 19th April 2024 and was regularized as a Director in Extra-Ordinary General Meeting of the Company held on 15th May, 2024.

Details of KMPs:

Sr.No.	Name of the KMPs	Designation
1	Sri Shamanur Shivashankarappa Ganesh	Managing Director
2	Mr. Ganeshrao Virupakshappa*	Chief Financial Officer (CFO)
3	Miss. Nidhi Vaswani	Company Secretary and Compliance Officer (CO)

*Mr. Ganeshrao Virupakshappa resigned as Chief Financial Officer w.e.f 07th February, 2024 and Mr. Onkarappa P. was appointed as Chief Financial Officer w.e.f 30th April, 2024.

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 2023-24 is available on the website of the Company at <https://davangeresugar.com/financials/>.

Number of Meetings of Board

During the Financial Year 2023-24, Six (6) Board Meetings were conducted on 30th May, 2023, 28th July, 2023, 14th August, 2023, 6th November, 2023, 14th February, 2024, 5th March, 2024.

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 state of affairs of the Company as on 31st March, 2024 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 14th February, 2024, 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 referred in form AOC-2 annexed hereto as **Annexure III**. 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 IV** 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. 2023-24.

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 2023-24 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 V** 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 VI**.

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 2023-24. The certificate received from the CEO and CFO is attached herewith and the same is marked as **Annexure VII**.

Listing and Listing fees:

The Company has listed its shares on the National Stock Exchange of India Limited (NSE) with effect from 25th January, 2024, vide NSE letter dated 23rd January, 2024.

The Company affirms that the annual listing fees for the year 2023-24 to The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India 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 (UPS)

The Board of Directors has code of practices and procedures for fair disclosure of unpublished price sensitive information (UPS) 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 (UPS), 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 2024.

Prevention of Sexual Harassment at Workplace

The Company has complied with the requirement of constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("the Act") and Rules made there under. During the year, there were no complaints received by under the Act.

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 VIII** 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, 2024 has been received from Practicing Company Secretary and annexed as **Annexure IX** 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,

- a. shareholders approved the subdivision of Equity share of Nominal value of Rs. 10/- (Rupee Ten only) each fully paid up into 10 Equity shares of Rs. 1/- (Rupee one only).
- b. Further, Ms. Swathi Shamanur was appointed as Additional director with effect from 19th April, 2024.
- c. The authorized share capital of the Company was increased from Rs. 100,00,00,000/- (Rupees One Hundred Crores only) to 150,00,00,000/- (Rupees One hundred and Fifty crores only)
- d. Ms. Rekha Ganesh resigned from the Board with effect from 04th May, 2024.

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: 06th September, 2024
Place: Davangere



ANNEXURE I
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 Ltd
73/1, Post Box No.312, Shamanur Road,
Davangere, Karnataka – 577004

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 (CIN: L37100KA1970PLC001949)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period).
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) 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);
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
- (g) 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;
- (h) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 to the extent applicable to the Company;
- (i) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (j) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the audit period)
- (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the Company during the Audit Period);**
- (l) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not applicable to the Company during the Audit Period);**

I have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliance under other applicable Acts, Laws and Regulations to the Company.

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

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive, and Independent Directors.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.
- iii. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, 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 the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, quarterly financial results under Regulation 33 of SEBI (LODR) Regulations, 2015 and the annual financial statements has not been reviewed in this audit report, since the same have been subject to the statutory financial audit by other designated professionals.

I further report that during the audit period no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except the following:

1. The Company has listed its shares on the National Stock Exchange of India Limited (NSE) with effect from 25th January, 2024, vide NSE letter dated 23rd January, 2024.
2. During the year under review, the Company has re-classified its "Promoter/Promoter Group" to the "Public" Category with the approval of Bombay Stock Exchange of India dated 20th November 2023.

**For Shivam Sharma & Associates
Company Secretaries**

Sd/-

Shivam Sharma

Proprietor

M. No.: A35727, CP. No.: 16558

Peer Review Certificate No.: 1811/2022

UDIN: A035727F000759725

Date: July 17, 2024

Place: Mumbai

This report is to be read with my letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.



'Annexure-A' to the Secretarial Audit Report

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

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. My responsibility is to express an opinion on these secretarial records based on my 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-check 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 my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Shivam Sharma & Associates
Company Secretaries

Sd/-
Shivam Sharma
Proprietor
M. No.: A35727, CP. No.: 16558
Peer Review Certificate No.:
1811/2022 UDIN: A035727F000759725
Date: July 17, 2024
Place: Mumbai



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, 2023 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 utilising 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, 2024	For the current year ended March 31, 2023
I. Power and fuel consumption		
1. Electricity		
A. Purchases		
Unit	822000	806400
Total Amount	4586760	10120320
Rate/Unit	5.58	12.55
B. Own Generation		
[a] Through Diesel		
Generator Unit	590	5520
Unit per Litre of Diesel	2.50	2.15
Oil Cost/Unit	36.00	41.76
[b] Through Steam		
Turbine Unit	42190960	62217400
Unit per MT of fuel consumed	354	345
Cost/Units	2.11	2.89
C. Consumption per unit of production (per Qtl of Sugar)		
Standards If any		
Products (with details) Unit – Sugar	196360 QTLS	306192 QTLS
in Qtls Electricity consumption per qtl of sugar (units) Furnace Oil	44.57 Units	39.52 Units

Technology Absorption

1. The efforts made towards technology absorption: Expansion and Modernisation of 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.
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	Estimated in USD 28,37,126
Imports and expenditure in foreign currency	Nil	Nil

Sd/-

Shamanur Shivashankarappa Ganesh
(Managing Director)
DIN: 00451383

Date: 06th September, 2024

Place: Davangere

Annexure –III

Form AOC-2

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2024, which were not at arm's length basis.

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2024 are as follows:

Sl. No	Name (s) of the related party	Nature of relationship	Nature Of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Amount paid as advances, if any	Date on which special resolution was passed in general meeting	Value of Transaction
1	M/S Kalleshwar Traders	Managing Director is a partner in the firm	Purchase & Sale of goods & Services	Ongoing	Not Applicable	Not Applicable	577632.00
2	Shamanur Kallppa & Sons	Managing Director is a partner in the firm	Purchase & Sale of goods & Services	Ongoing	Not Applicable	Not Applicable	15410780.24
3	Shivashankar Associates	Managing Director is a partner in the firm	Purchase & Sale of goods & Services	Ongoing	Not Applicable	Not Applicable	194910.00
4	Shamanur Transport	Executive Director is Interested and has Control over Business	Purchase & Sale of goods & Services	Ongoing	Not Applicable	Not Applicable	723770.00



5	GMM Enterprises	Managing Director and Executive Director are partners in the firm	Purchase & Sale of goods & Services	Ongoing	Not Applicable	Not Applicable	3050796.00
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Sd/-

Shamanur Shivashankarappa Ganesh

(Managing Director)

DIN: 00451383

Date: 06th September, 2024

Place: Davangere

Annexure IV

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 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

S. No.	Name	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage increase in Remuneration during FY 2023-2024
1.	Mr. Shamanur Shivashankarappa Ganesh	Managing Director	N.A.	N.A.
2.	Mr. Abhijith Ganesh Shamanur	Executive Director	N.A.	N.A.
3.	Mrs. Rekha Ganesh*	Non-Executive Director	N.A.	N.A.
4.	Mr. Tumbegere Rudrappa	Independent Director	N.A.	N.A.
5.	Mr. Thappagondanahally Rajashekarappa	Independent Director	N.A.	N.A.
6.	Mrs.. Veena Umapathy	Independent Director	N.A.	N.A.
7.	Mr. Ganeshrao Virupakshappa**	Chief Financial Officer	N.A.	N.A.
8.	Miss. Nidhi Vaswani	Company Secretary and Compliance Officer.	6.38	N.A.

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024. Mrs. Swathi Shamanur was appointed as an Additional Non-Executive Director by Board of Directors in their meeting held on 19th April 2024 and was regularized as a Director in Extra-Ordinary General Meeting of the Company held on 15th May, 2024.

**Mr. Ganeshrao Virupakshappa resigned as Chief Financial Officer w.e.f 07th February, 2024 and Mr.Onkarappa P. was appointed as Chief Financial Officer w.e.f 30th April , 2024.

(II) The percentage increase in the Median Remuneration of the Employees of the Company for the Financial Year 2023-24 & the number of permanent employees on the rolls of the Company:

The Median Remuneration of the Employees was Rs 1,42,799 and Rs 1,27,622 in the Financial Year 2023-24 & 2022-23 respectively. Employee head count increased to 302 from 256 as on 31 March 2024 & 31 March 2023.

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.

Sd/-

Shamanur Shivashankarappa Ganesh

(Managing Director)

DIN: 00451383

Date: 06th September, 2024

Place: Davangere



Annexure –V

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, any 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	Mr. Tumbegere Rudrappa	Non-Executive - Independent Director	Chairman
2	Mr. Thappagondanahally Rajashekarappa	Non-Executive - Independent Director	Member
3	Mrs. Rekha Ganesh*	Non-Executive - Non Independent Director	Member
4	Mrs. Swathi Shamanur	Non-Executive - Non Independent Director	Member

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

** Mrs. Swathi Shamanur was inducted to the Committee w.e.f 05th May 2024

The CSR Committee met once in a year on 05th March 2024.

3. Average net profit as per CSR rules of the Company for last three financial years as company was required to spend during financial year 2023-24

Particulars	Amount (In Lacs)
Profit/(Loss) –2020-21	249.93
Profit/(Loss) – 2021-22	568.01
Profit/(Loss) –2022-23	1321.54
TOTAL	2139.48
Average Profit for the purpose of Section 135	713.16
2% of Average Profit/(Loss) for last three financial years	14.26

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

2% of average profit for last 3 years – **Rs. 14.26 Lacs /-**

5. Details of CSR spent during the financial year.

- a. Total amount spent for the financial year 2023-24 – **Rs. 14.26 Lacs /-**
- 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.	Education of children	Education	Davangere Karnataka	Rs. 14.26	Rs. 14.26	Completed	The amount was spent directly by the Company through Vidhvath Education Trust (CSR00057746)

6. 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. : N.A.

7. 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 Policy is in compliance with the CSR objectives and Policy of the Company.

FOR DAVANGERE SUGAR COMPANY LIMITED

Sd/-

Shamanur Shivashankarappa Ganesh
(Managing Director)

DIN: 00451383

Date: 06th September, 2024

Place: Davangere

Annexure –VI

Management Discussion & Analysis Report

Global Economic Overview

Over the past five years, India has solidified its position as a reliable and efficient exporter of sugar in the global market. Beginning with exports of 0.5 million MT in 2017-18, India steadily increased its export volumes to 3.8 million MT in the following year, 6.0 million MT in 2019-20, and 7.2 million MT in 2020-21. The standout year was 2021-22, when India set a new record by exporting 11.1 million MT of sugar, despite facing logistical and export quota challenges.

However, in 2022-23, India's sugar exports decreased to 6.4 million MT due to government restrictions. These restrictions persisted into 2023-24, resulting in negligible exports except to neighboring countries like Nepal, Bhutan, and the Maldives. The absence of Indian sugar in the global market, coupled with a poor crop in Thailand, significantly bolstered international sugar prices. Both raw and white sugar prices reached their highest levels in the past 11 years.

During 2023-24, Brazil emerged as a crucial player, achieving record sugar production and fulfilling a substantial portion of global sugar demand. Brazil exported 35.2 million MT of sugar during this period, marking a 26.8% increase from the previous year. The market has shown a tendency to react bullishly whenever Indian sugar is scarce or India turns to importing sugar.

Overall, Brazil's robust production and India's export restrictions have shaped the dynamics of the international sugar market in recent years, highlighting the global impact of these key sugar-producing nations.

Further the Sugar prices for both raw and white sugar have touched high of the last decade due to lower crop not only in India but also in other countries, in the year 2023-24.

Indebtedness Staying High

As a result of the pandemic and economic upheaval over the past three years, private and public debt have reached levels not seen in decades in most economies and remain high, despite their fall in 2021–22 on the back of the economic rebound from COVID-19 and the rise in inflation. Monetary policy tightening—particularly by major advanced economies—has led to sharp increases in borrowing costs, raising concerns about the sustainability of some economies' debts. Among the group of emerging market and developing economies, the average level and distribution of sovereign spreads increased markedly in the summer of 2022, before coming down in early 2023. The effects of the latest financial market turmoil on emerging market and developing economy sovereign spreads have been limited so far, but there is a tangible risk of a surprise increase in coming months should global financial conditions tighten further. The share of economies at high risk of debt distress remains high in historical context, leaving many of them susceptible to unfavourable fiscal shocks in the absence of policy actions.

Overview of the World Economic Outlook Projections:

Category	2023	2024
Global GDP Growth	3.7%	3.5%



Advanced Economies Growth	2.4%	2.1%
Emerging Markets and Developing Economies Growth	4.5%	4.7%
Global Inflation Rate	5.1%	4.2%
Advanced Economies Inflation	3.5%	2.8%
Emerging Markets and Developing Economies Inflation	6.8%	5.9%
Global Trade Volume Growth	3.2%	3.4%
Foreign Direct Investment Growth	-	5.5%
Regional Outlook		
- United States GDP Growth	2.0%	2.0%
- United States Inflation	-	2.3%
- Euro Area GDP Growth	-	1.8%
- Euro Area Inflation	-	2.5%
- China GDP Growth	-	5.2%
- India GDP Growth	-	6.3%

Source: IMF staff estimates.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 15, 2023–March 15, 2023. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1. Difference based on rounded figures for the current, January 2023 WEO Update, and October 2022 WEO forecasts.

2. Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

3. For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year. Quarterly data are non-seasonally adjusted and differences from the January 2023 WEO Update and October 2022 WEO are not available.

4. Indonesia, Malaysia, Philippines, Singapore, Thailand.

5. Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$96.36 in 2022; the assumed price, based on futures markets, is \$73.13 in 2023 and \$68.90 in 2024.

Key Insights

- **Global Growth:** Projected to be 3.5% in 2024, a slight decrease from 3.7% in 2023, reflecting ongoing adjustments to post-pandemic conditions and geopolitical uncertainties.
- **Advanced Economies:** Expected to grow by 2.1%, down from 2.4% in the previous year, due to tighter monetary policies and slowing consumer demand.
- **Emerging Markets and Developing Economies:** Anticipated to expand by 4.7%, a moderate increase from 4.5% in 2023, driven by strong performances in Asia and some parts of Africa.
- **Inflation:** Global inflation is predicted to decline to 4.2% in 2024 from 5.1% in 2023, as supply chain disruptions ease and commodity prices stabilize.
- **Trade and Investment:** Global trade volume is projected to grow by 3.4% in 2024, slightly up from 3.2% in 2023, supported by the gradual resolution of trade disputes and increased demand from emerging markets. Foreign Direct Investment (FDI) is expected to rebound modestly, growing by 5.5%, as investor confidence returns in developing regions.

- **Risks and Uncertainties:** Geopolitical tensions, climate change, and technological disruptions pose significant risks to global economic stability. Policymakers and stakeholders must remain vigilant and responsive to emerging risks to sustain economic momentum and promote stability.

World Sugar Balance – Year (Oct-Sept)

Global:

The International Sugar Organization (ISO) on February 28, 2024, raised its forecast for the global sugar deficit in the 2023/24 season from 335,000 MT to 689,000 MT. A Reuters poll of analysts and traders in the same month projected a median forecast of a small surplus of 500,000 tons for the 2023/24 season.

Global production for 2023/24 is estimated at 179.7 million tons, slightly down from the previous projection of 179.9 million tons. Consumption expectations have been revised upwards to 180.4 million tons from 180.2 million tons. The ISO also reported a global surplus of 308,000 tons for the 2022/23 season.

The USDA, in its bi-annual report released on November 23, projected that global sugar production for 2023/24 would increase by 4.7% to a record 183.461 million MT. It also forecasted a 1.2% increase in global human sugar consumption to a record 178.431 million MT. Additionally, the USDA predicted that global sugar ending stocks for 2023/24 would fall by 13.3% to a 13-year low of 33.681 million MT.

Indian Scenario:

After reaching a peak gross sugar production of 39 million MT during 2021-22, India's sugar production has been on the decline. In 2022-23, the country's gross sugar production dropped to 36.6 million MT, with an estimated further decline to 34.0 million MT in 2023-24. Projections for 2024-25 suggest another significant drop of nearly 10%.

Despite higher production than consumption in recent years, declining sugar production is affecting the diversion of sugar towards ethanol. The year 2023-24 marks the first decline in the diversion of sugar towards ethanol. This diversion had significantly increased from a mere 0.5 million MT in 2018-19 to 3.8 million MT in 2022-23. However, for 2023-24, the diversion is estimated to dip to 2.0 million MT.

Initial estimates for 2023-24 gross sugar production were low, at 32 million MT, due to lower crop expectations in Maharashtra and Karnataka. These lower estimates raised inflation concerns for the government, leading to restrictions on the diversion of sugar towards ethanol.

In mid-December, the government reduced the allocated quantity of B Heavy Ethanol/Syrup Ethanol orders issued by OMCs, capping the total diversion of sugar towards ethanol at 1.7 million MT. However, the situation improved as the actual crop position in Maharashtra and Karnataka turned out better than expected. Consequently, the estimate for gross All India sugar production is now 34.0 million MT.



Indian Economy Overview

The Indian economy has been exhibiting a robust recovery trajectory despite global economic headwinds. Key indicators suggest a mixed outlook for the near term:

- **GDP Growth:** The Indian economy continues to demonstrate strong growth, with projections indicating a GDP growth rate of 6.3% for 2024. This marks a significant performance in the context of global economic uncertainties.

- **Inflation:** Inflation remains a concern, with the consumer price index (CPI) showing persistent pressure. However, measures taken by the Reserve Bank of India (RBI) to tighten monetary policy are expected to stabilize prices in the medium term.

- **Industrial Production:** Industrial production has shown resilience, particularly in sectors such as manufacturing and energy. The government's focus on 'Make in India' and infrastructure development is driving significant growth in these areas.

- **Agricultural Sector:** The agricultural sector, a critical component of the Indian economy, has faced challenges due to uneven monsoon rains. Despite this, government support measures and advancements in agricultural technology are helping to mitigate the impact.

- **Exports and Imports:** India's trade balance remains a focal point, with exports showing healthy growth driven by demand in key markets such as the United States and Europe. Imports, particularly of energy resources, continue to rise, influenced by global price trends.

- **Foreign Direct Investment (FDI):** FDI inflows have been strong, reflecting investor confidence in the Indian market. Key sectors attracting investment include technology, pharmaceuticals, and renewable energy.

- **Financial Markets:** Indian financial markets have been volatile, mirroring global trends. However, strong fundamentals and policy support are expected to provide stability and attract continued investment.

- **Ethanol Production:** The ethanol sector has seen significant developments, with the commencement of production in June 2022 boosting the top-line revenues of key players. The strategic push towards ethanol blending in fuels is aimed at reducing dependency on imported oil and promoting sustainable energy practices.

Key Challenges:

- **Monetary Policy:** The RBI's monetary policy will need to balance inflation control with supporting economic growth.

- **Agricultural Dependence:** The economy's heavy reliance on agriculture makes it vulnerable to climatic variations.

- **Global Economic Conditions:** Slowdowns in major economies could impact export demand.

Outlook:

The outlook for the Indian economy remains cautiously optimistic, with strong domestic demand and strategic policy initiatives expected to drive growth. Continued focus on infrastructure development, technological innovation, and sustainable practices will be crucial for maintaining economic momentum.

This comprehensive overview from the Sucden Sugar Market Report underscores the multifaceted nature of India's economic landscape, highlighting both the opportunities and challenges that lie ahead.

Produce summary:

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24(P)
Opening Stock as on 1st Oct	146	107	82	70***	56
Gross production during Season (Without diversion for ethanol)	282	332	390	366	340
Diversion for ethanol (E)	8	20	32	38	20
Net Production during the Season	274	312	358	328	320
Imports *	0	0	0	0	0
Total Availability	420	419	439	398	376
Offtake					
i) Internal Consumption	253	265	273	278	285
ii) Exports*	60	72	111	64	0
Total offtake	313	337	384	342	285
Closing Stock as on September 30	107	82	55	56	91

* Imports and exports are under O.G.L. and as reported by sugar mills to Gol through Proforma (i) and (ii).

** (Reconciled with Government data)

Diversion towards ethanol for 23-24 including excess stock of B Heavy / ethanol

CAGR of internal consumption for last 15 years is 1.79%

*** Adjusted / aligned with Government data

(Source ISMA)

The economy will not escape the global slowdown

While banks' solvency ratios and financial results have improved and the authorities have enhanced loan-loss provisioning and established a 'bad bank', any deterioration of banks' asset quality could threaten macro-financial stability. In the run-up to the 2024 elections, fiscal consolidation may be delayed, and the conclusion of trade agreements may become more difficult. A potentially below-normal monsoon season could also impact growth. Declining geopolitical uncertainty, on the other hand, would boost confidence and benefit all sectors, as would a faster-than-expected conclusion of free-trade agreements with key partners and the incorporation thereof services.

(Source – [OECD](#))

Performance of Major Sugar Producing Countries

U.S.

Production is forecast up marginally to 8.4 million tons. Imports are forecast down based on projected quota programs set at minimum levels consistent with World Trade Organization and freetrade



agreement obligations, and on projected imports from Mexico, re-exports, and high-tier tariff imports. Consumption is practically unchanged while stocks are reduced due to lower imports.

Brazil

As the world's largest sugar producer and exporter, Brazil continues to play a critical role in the global sugar market. The 2024 outlook indicates a growing reliance on Brazil's Center-South region, which is expected to supply a substantial portion of the world's sugar. This dependency is projected to rise from 40-50% in Q1 to 60% and beyond throughout the year. Factors such as improved cane yields and efficient logistics are likely to stabilize Brazil's sugar supply despite potential disruptions (**Vesper**).

Production is forecast 1.5 million tons lower but still the second highest on record at 44.0 million tons as less sugarcane is forecast to be available for crushing due to unfavorably dry weather. The sugar/ethanol production mix is expected to favor sugar relative to the previous season going from 49 percent to 51 percent for sugar and from 51 percent to 49 percent for ethanol. Consumption and exports are both forecast unchanged.

European Union

production is forecast flat at 15.0 million tons as sugarbeet area is expected to be up slightly with lower yields. Consumption, imports, and exports are forecast unchanged while stocks are expected to rise with the higher beginning stocks.

Thailand

Production is forecast to be up 16 percent to 10.2 million tons due to a recovery in sugarcane production and increased cane sugar yield. Consumption continues to rise but at a slower rate due to lower expected disposable income. Exports are forecast to level off after surging the year before while stocks are expected to drop sharply due to lower beginning stocks.

Australia

Production is forecast to increase 100,000 tons to 4.2 million due to an increase in sugarcane available for processing as a result of expected favorable weather. Consumption is forecast to increase in line with population growth while exports are also forecast up with the higher available supplies.

Mexico

Production is forecast 572,000 tons higher to 5.5 million due to favorable weather on lower area but on trend with recent sugarcane yields. Consumption is expected to be down slightly with a small increase in stocks. Exports are forecast to rise on higher available supplies with exports to the United States set by the amended Suspension Agreements.

Indonesia

Production is forecast down 300,000 tons to 2.0 million due to unfavorable weather. Consumption is expected to be up in line with population growth and expected increase in demand from the food and beverage industry. With the growing demand and lower production, imports are forecast to rise while stocks decline.

(Source - [FAS](#))

Indian Sugar Industry Overview

Sugar

India possesses favorable conditions for cultivating sugarcane at a reduced expense, owing to its tropical climate, abundant and cost-effective labor, and the availability of economical irrigation

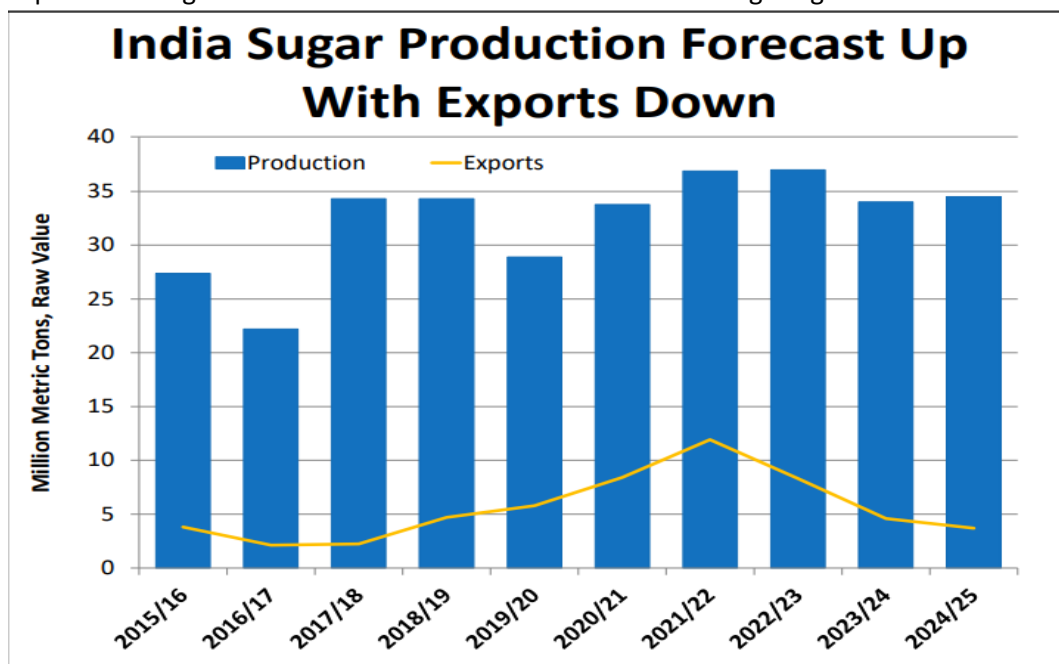
facilities through subsidized water and power. The primary regions known for sugar cane production in India include Uttar Pradesh, Maharashtra, Andhra Pradesh, Gujarat, Karnataka, and Tamil Nadu.

The Central Government has prioritized availability of about 275 Lakh Metric Tonnes (LMT) sugar for domestic consumption, about 50 LMT sugar for diversion to ethanol production and to have closing balance of about 60 LMT by 30th September, 2023. Balance quantity of sugar produced by sugar mills in the country would be allowed for exports. Since at the beginning of sugar season 2022-23, initial estimates of sugarcane production are available, it has been decided to allow export of 60 LMT sugar. The sugarcane production in the country will be reviewed periodically and based on the latest available estimates, quantity of sugar exports to be allowed could be reconsidered.

In FY22, sugar exports stood at US\$ 4.60 billion.

(Source - [PIB](#))

India production is estimated up 500,000 tons to 34.5 million on higher yields with the planting of early maturing varieties. Consumption is anticipated to be up to meet demand during festivals and growth in pre-packed foods, sugar, and confectioneries, and catering services. Imports are forecast higher as the growth in consumption is expected to exceed the growth in production. Exports are down slightly on the likelihood that the government maintains export caps to meet domestic food consumption and sugar to ethanol diversion for the Ethanol Blending Program.



(Source - [USDA](#))

In the current season, 532 mills started their operations so far across the country, against 518 mills which operated last season, as on 31st March. On the corresponding date, 338 mills have closed their crushing operations in the current season, while 194 sugar mills were still operating in the country. However, in the last season 2021-22, 152 mills had closed their crushing operations and 366 mills were operating as on 31st March'2022.

Following table gives a comparison of working factories and actual sugar production net of diversion towards production of ethanol, as of end of March, this year versus last year.

Sugar Production as on 31st March (In lac tons)

Sr. No.	State	No. of Working Factories		Actual Sugar Production (after Diversion into ethanol)	
		2022-23	2021-22	2022-23	2021-22
1	Uttar Pradesh	97	88	89.0	87.5
2	Maharashtra	18	167	104.2	118.8
3	Karnataka	4	21	55.2	57.2
4	Others*	75	90	51.2	46.4
Total		194	366	299.6	309.9

*Others include -Tamil Nādu, Gujarat, A.P., Telangana, Bihar, Punjab, Haryana, Rajasthan, M.P., Chhattisgarh, Uttarakhand & Odisha

(Source - [ISMA](#))

Crushing season in Maharashtra have ended at around 105 lac tons, lower than our earlier estimate, due to unexpectedly lower cane yields owing to higher ration crop share and uneven distribution of rainfall. Main season in Karnataka is on the verge of closure and have produced around 55 lac tons so far. However, special season will operate in Karnataka from June / July'2023.

The Committee also discussed the sugar recovery, cane yield, remaining harvestable area / sugarcane and expected dates of closure of factories in other states where crushing season is still operational and noted that cane yield in Uttar Pradesh is slightly better than expected and therefore the state is expected to produce around 105 lac tons of sugar after diversion towards production of ethanol.

Estimated sugar diversion towards ethanol was also discussed and based on feed stock wise allocations upto Cycle-6 and estimated for the rest of season, it is estimated that around 40 lac tons of sugar will be diverted.

Accordingly, ISMA has revised its all-India sugar production estimate for 2022-23 SS (after diversion into ethanol) as 328 lac tons, after considering diversion of about 40 lac tons of sugar equivalent into ethanol.

S.No	States	2022-23 2nd Advance estimates (Jan'2023)			2022-23 Latest estimates (April'2023)		
		Estimated sugar production	Estimated sugar diversion	Actual sugar production	Estimated sugar production	Estimated sugar diversion	Actual sugar production
		BEFORE DIVERSION		AFTER DIVERSION	BEFORE DIVERSION		AFTER DIVERSION
		Lac tons	Lac tons	Lac tons	Lac tons	Lac tons	Lac tons
1	Uttar Pradesh	117	16	101	119	14	105

2	Maharashtra	136	15	121	118	13	105
3	Karnataka	67	11	56	67	10	57
4	Tamil Nadu	16		16	16		16
5	Gujarat	12	3	12	10	3	10
6	Others	37		34	38		35
Total		385	45	340	368	40	328

(Source - [ISMA](#))

Factors Impacting the Sugar Industry

- More than two-thirds of the sugar demand primarily originates from end-use industries like ice-creams, confectioneries, bakeries, and soft drinks, making the consumption growth closely tied to the expansion of these sectors.
- Population growth also plays a significant role in influencing the demand for sugar.
- Consumer preferences for sugar over alternative sweeteners like gur/khandsari are partly determined by the relative prices of these commodities.
- The supply of sugar is influenced by various factors, including climatic conditions, technical aspects of sugarcane production, drawal rate, season duration, and recovery rates.
- Additionally, the political scenario can have an impact on sugar distribution, pricing, as well as imports and exports.

Key risks and regulations pertaining to sugar sector

Risks:

- **Fluctuation in foreign exchange rates:** When domestic sugar production is low, India may need to import sugar from other countries, exposing the sector to exchange rate risk.
- **Change in fair and remunerative prices of sugarcane:** Government hikes in the Fair and Remunerative Price (F&RP) of sugarcane to support farmers can lead to reduced margins for sugar mills when sugar prices fall.
- **Availability of raw materials:** Sugarcane production heavily relies on monsoons, and a deficient monsoon year can significantly impact sugar production.
- **Regional concentration of raw materials:** Over 80% of India's sugarcane is grown in Uttar Pradesh, Maharashtra, Karnataka, and Tamil Nadu, making the sector vulnerable to adverse weather conditions in these regions.
- **Change in refining spread:** Drastic fluctuations in raw sugar prices may lead to arbitrage opportunities, affecting the supply and pricing of white sugar.

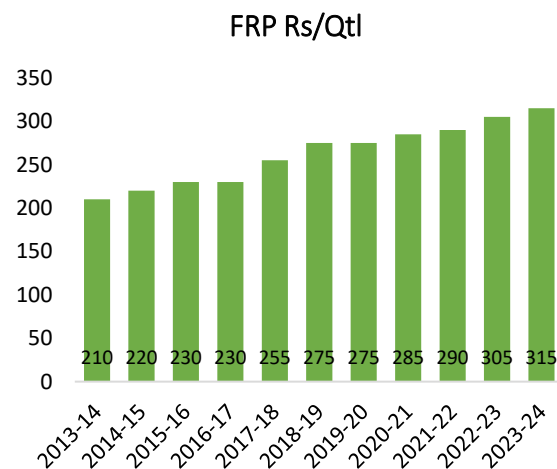
Regulations:

- **Regulations to protect farmers and consumers:** The Indian government controls the sugar industry to safeguard the interests of both sugarcane farmers and sugar consumers, although some controls have been relaxed over the past decade.
- **Regulations on sugarcane pricing:** The government decides the minimum price (Fair and Remunerative Price) at which sugar mills purchase sugarcane from farmers to ensure fair payment for the crop.
- **State government authorized to fix cane prices - Supreme Court (2004):** A Supreme Court ruling allowed state governments to set sugarcane prices above the central government's declared price, leading to potential disputes between mills and governments.
- **Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2013:** Karnataka enacted this act to implement a revenue-sharing model for determining cane prices.
- **Regulation on sugar sales:** The government used to control domestic and export sales, but certain regulations were abolished in 2013, providing more freedom to mills.
- **Other regulations:** Private sugar producers cannot own cane fields, and new sugar mills have distance restrictions from existing units. Sugar producers must purchase all sugarcane sold to them, and they have limitations on the types of sugar they can produce.

Government Initiatives:

Keeping in view interest of sugarcane farmers (Ganna Kisan), the Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved Fair and Remunerative Price (FRP) of sugarcane for sugar season 2023-24 (October - September) at Rs.315/qtl for a basic recovery rate of 10.25%. It has also been approved to provide a premium of Rs.3.07/qtl for each 0.1% increase in recovery over and above 10.25%, & reduction in FRP by Rs.3.07/qtl for every 0.1% decrease in recovery. The FRP approved shall be applicable for purchase of sugarcane from the farmers in the sugar season 2023-24 (starting w.e.f. 1st October, 2023) by sugar mills. The sugar sector is an important agro-based sector that impacts the livelihood of about 5 crore sugarcane farmers and their dependents and around 5 lakh workers directly employed in sugar mills, apart from those employed in various ancillary activities including farm labour and transportation.

(Source - [MOPNG](#))



The FRP has been determined on the basis of recommendations of Commission for Agricultural Costs and Prices (CACP) and after consultation with State Governments and other stake-holders. Details of FRP announced by the Government since sugar season 2013-14 are as under:

(Source - [PIB](#))



Ethanol

Ethanol is an agro-based product which is naturally obtained from the fermentation of sugarcane molasses, a by-product of sugar production. Ethanol is an important eco-friendly, renewable fuel. When mixed with gasoline, different blends of fuel are created and when used to run machines, emit lesser environmental pollution. As sugarcane production and stock grows, the excess can be diverted for the production of ethanol benefitting both the sugar industry and the economy.

Cane tops, bagasse, filter muds and molasses form the four main by-products of the sugarcane industry. Optimal utilisation of by-products, such as molasses and bagasse, is another key differentiating factor. Integrated sugar mills (mills that produce not only sugar, but also ethanol and industrial alcohol from molasses and power from bagasse) are more likely to be successful than standalone sugar companies. An integrated business model is the key to de-risking revenues. By opting for such a model, mills can earn higher margins, and also partly protect themselves from the cyclical downturns in the core sugar business. By-products of the sugarcane industry fetch varied market prices in different countries, depending on cyclical increases or decreases.

Currently, bagasse is used as fuel for steam generation in sugar factories and a small portion of it for production of pulp and board, furfural and methane. Molasses is exported as animal feed or transformed into rum, potable alcohol or industrial alcohol.

Cane tops and filter muds are currently not significantly put to any other use. However, filter muds could be put to use as low-grade fertilisers in cane fields.

Domestic production of ethanol has been encouraged by the government using various measures including but not limited to amendments to the Industries (Development and Regulation) Act, 1951, to legislate exclusive central control over denatured alcohol, reduction of Goods and Services Tax (GST) levied on ethanol for Ethanol Blending Programme to 5%, reintroduction of the administered price mechanism, expansion of the programme and opening up alternate production routes. Different pricing methods have also been adopted by the government to boost the supplies of ethanol for the EBP.

Growth of ethanol as biofuel sector in last 5 years has amply supported the sugar sector as diversion of sugar to ethanol has led to better financial positions of sugar mills due to faster payments, reduced working capital requirements and less blockage of funds due to less surplus sugar with mills. During 2021-22, revenue of more than ₹ 20,000 crores has been made by sugar mills/distilleries from sale of ethanol which has also played its role in early clearance of cane dues of farmers.

Ethanol production capacity of molasses/sugar-based distilleries has increased to 700 crores litres per annum and the progress is still continuing to meet targets of 20% blending by 2025 under Ethanol Blending with Petrol (EBP) Programme. In new season, the diversion of sugar to ethanol is expected to increase from 36 LMT to 50 LMT which would generate revenue for sugar mills amounting to about ₹ 25,000 crores.

Ethanol Blending Programme

The Ethanol Blending Programme (EBP) seeks to achieve blending of ethanol with motor spirit in order to reduce pollution, conserve foreign exchange and increase value addition in the sugar industry enabling them to clear cane price arrears of farmers.

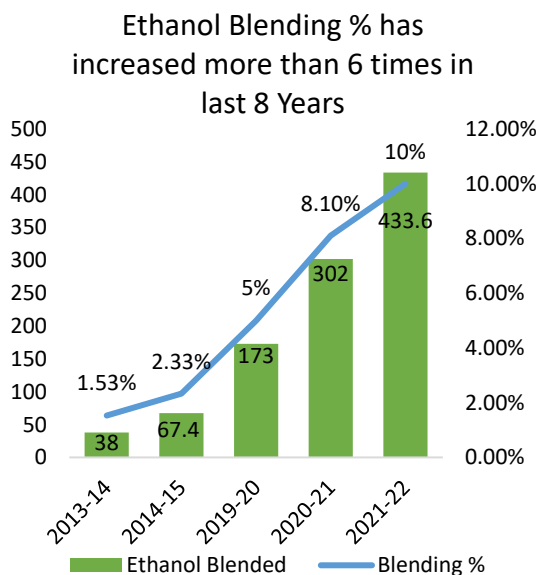
Public Sector Oil Marketing Companies (OMCs) have achieved over 10% ethanol blending in petrol during Ethanol Supply Year (ESY) 2021-22. Government has amended the National Policy on Biofuels



– 2018 which has advanced the target of 20% blending of ethanol in petrol to ESY 2025-26 from 2030. The required ethanol quantity from sugarcane and grain based feedstocks for blending under this Programme is accordingly procured by OMCs from registered bidders/suppliers.

The Ethanol Blending Programme has saved foreign exchange as well as strengthen energy security of the country. By 2025, it is targeted to divert more than 60 LMT of excess sugar to ethanol, which would solve the problem of high inventories of sugar, improve liquidity of mills thereby help in timely payment of cane dues of farmers and will also generate employment opportunities in rural areas.

To achieve blending targets, Government is encouraging sugar mills and distilleries to enhance their distillation capacities for which Government is facilitating them to avail loans from banks for which interest subvention @ 6% or 50% of the interest charged by the banks whichever is lower is being borne by Government. This will bring an investment of about ₹ 41,000 crores. In past 4 years, loans of about ₹20,343 crores have been sanctioned to 243 project proponents out of which loans of about ₹ 11,093 Cr have been disbursed to 210 project proponents. (Source - [PIB](#))



Key applications of ethanol and trends going forward

- **Industrial Solvent:** Ethanol is widely used as a solvent in various industries, including paints, cosmetics, pharmaceuticals, and detergents. Its ability to dissolve both polar and non-polar compounds makes it versatile for different applications.
- **Beverages:** Ethanol is a primary component in alcoholic beverages such as beer and wine. It is produced through the fermentation of fruits or grains, and the concentration of ethanol varies across different beverages.
- **Disinfectant:** Ethanol is utilized as an active ingredient in alcohol-based hand sanitizers, as it has the ability to effectively kill bacteria and viruses at certain concentrations. It is also used as an antiseptic for minor injuries.
- **Flavoring and Fragrance:** In the food industry, ethanol is used for flavor extraction and preservation of various food products, extending their shelf life. It is also employed in the fragrance industry as a carrier for perfume or fragrance oils found in perfumes and colognes.
- **Personal Care Industry:** Ethanol is commonly found in cosmetics and personal care products due to its cleansing properties and ability to act as a preservative. It is used in body lotions to prevent ingredient separation and in hairspray to help it adhere to the hair.



Trends Going Forward:

- **Increasing Demand for Sanitizers and Disinfectants:** The COVID-19 pandemic has significantly increased the demand for hand sanitizers and disinfectants, driving the use of ethanol in these products.
- **Sustainable and Bio-based Ethanol:** There is a growing emphasis on using sustainable and bio-based ethanol derived from renewable sources, such as sugarcane, corn, or cellulosic materials, to reduce environmental impact and dependency on fossil fuels.
- **Ethanol as a Cleaner and Greener Fuel:** Ethanol is increasingly being used as an alternative, cleaner, and greener fuel additive in gasoline blends. Ethanol-blended fuels, such as E10 (10% ethanol and 90% gasoline), are becoming more prevalent in several countries to reduce greenhouse gas emissions and promote energy security.
- **Rising Demand in the Flavor and Fragrance Industry:** The demand for natural flavors and fragrances is increasing, and ethanol's ability to extract and preserve these natural compounds makes it a valuable ingredient in this industry.
- **Innovations in Personal Care Products:** Ethanol will continue to be a key ingredient in personal care products as innovations in formulations and delivery methods improve the overall effectiveness and user experience.
- **Regulatory Environment:** The regulatory environment surrounding ethanol production, blending, and usage will play a crucial role in shaping its future applications and market growth.
- **Focus on Sustainable Ethanol Production:** Efforts to reduce the carbon footprint and environmental impact of ethanol production are likely to gain traction, leading to greater adoption of sustainable practices in the industry.

Recent Developments

- In February 2023, Prime Minister launched E20 fuel at 84 retail outlets of oil marketing companies in 11 States/UTs along the lines of the ethanol blending roadmap.
- In May 2022, the government approved changes in the National Biofuel Policy 2018 to bring forward the target for 20% ethanol blending with petroleum to 2025-26 from 2030.
- Promoted advanced biofuels through a viability gap funding scheme of Rs. 5,000 crore (US\$ 745.82 million) in six years for 2G ethanol bio refineries along with additional tax incentive

Overall, ethanol's diverse range of applications and its potential as a renewable and eco-friendly resource make it a significant player in various industries, with continued growth and innovation expected in the coming years.

Power Generation

Sugar industry has been traditionally practicing cogeneration by using bagasse as a fuel. With the advancement in the technology for generation and utilization of steam at high temperature and pressure, sugar industry can produce electricity and steam for their own requirements. It can also produce significant surplus electricity for sale to the grid using same quantity of bagasse. For example, if steam generation temperature/pressure is raised from 400°C/33 bar to 485°C/66 bar, more than 80

KWh of additional electricity can be produced for each ton of cane crushed. The sale of surplus power generated through optimum cogeneration would help a sugar mill to improve its viability, apart from adding to the power generation capacity of the country.

The Ministry has been implementing biomass power/co-generation programme since mid-nineties. Over 800 biomass power and bagasse/Non-bagasse cogeneration projects aggregating to 10205.61 MW capacity have been installed in the country for feeding power to the grid. States which have taken leadership position in implementation of bagasse cogeneration projects are Maharashtra, Karnataka, Uttar Pradesh, Tamil Nadu and Andhra Pradesh. The leading States for biomass power projects are Chhattisgarh, Madhya Pradesh, Gujarat, Rajasthan and Tamil Nadu.

In India, sugar mills utilize their own bagasse as a renewable energy source to generate power during the season. Bagasse, the fibrous residue left after crushing and extracting sugarcane juice, is used to produce steam that runs boilers and turbines, generating electricity to power the mills' operations. Any surplus energy produced beyond the mills' requirements can be exported to the grid of distribution licensees, contributing to the overall electricity supply in the region.

The regulatory framework for the power sector in India is overseen by two main bodies:

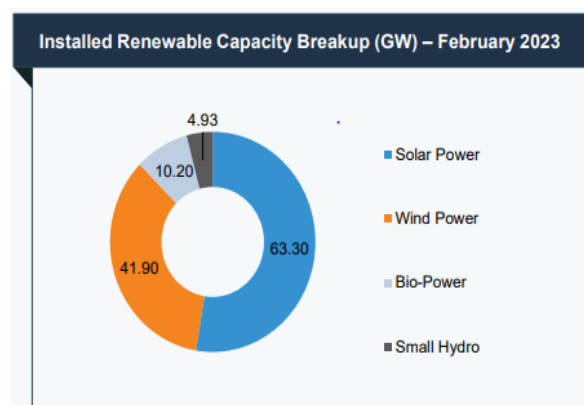
Central Electricity Regulatory Commission (CERC): CERC is the central authority responsible for regulating various aspects of electricity generation and supply at the national level. It plays a crucial role in setting policies, determining tariffs, and ensuring the fair and efficient functioning of the power market across the country.

State Regulatory Commissions: Each state in India has its own State Regulatory Commission, responsible for dealing with the aspects of tariff determination and regulation of energy generation, supply, and distribution within that particular state. These State Regulatory Commissions work in tandem with the CERC to ensure that the power sector operates smoothly at both national and regional levels.

The collaboration between the Central Electricity Regulatory Commission and State Regulatory Commissions is vital in maintaining a well-regulated and balanced power sector in India. This regulatory framework ensures that the interests of both consumers and stakeholders in the power industry are protected, while also promoting the efficient utilization of renewable energy sources like bagasse in the sugar mills to contribute to the nation's energy needs.

Assessment of domestic power industry

Between fiscal years 2022 and 2026, the power demand in India is projected to experience a compound annual growth rate (CAGR) of approximately 4-5%. This growth will be fueled by the country's economic recovery and improvements in the reach and quality of power supply. Both the central and state sectors are expected to drive capacity additions during this period, with a major focus on investments in the transmission & distribution (T&D) segment.





According to a study, there is an estimated surplus biomass availability of about 230 million metric tonnes per annum in India. This surplus biomass mainly consists of agricultural residues, which have the potential to generate approximately 28 GW of power. Additionally, India's 550 sugar mills have the capability to generate about 14 GW of additional power through bagasse-based cogeneration, provided they adopt technically and economically optimal levels of cogeneration to extract power from the bagasse produced during the sugar milling process.

These estimates highlight the significant potential for biomass-based power generation in India, particularly from agricultural residues and bagasse. Utilizing these renewable sources efficiently can play a crucial role in meeting the increasing power demand, promoting sustainability, and reducing reliance on conventional fossil fuels for electricity generation.

As on 31.10.2022, a total capacity of 10205.61 MW has been installed in Biomass Power and Cogeneration Sector.

Installed Capacity of Biomass IPP – 1871.11 MW

Installed Capacity of Bagasse Cogeneration – 7562.45 MW

Installed Capacity of Non-Bagasse Cogeneration - 772.05 MW

(Source-[MNRE](#))

Key Drivers for Growth in Industry

- The T&D network is expected to undergo robust growth to support increasing power demand. Approximately 330-350 GVA transformation capacity (above 220 kV level) is projected to be added during fiscals 2022-2026, reaching a cumulative capacity of 1,350-1,400 GVA by fiscal year 2026.
- Long-term reforms in the distribution segment are anticipated to improve the quality of power supply. Weak financial positions of state utilities, particularly in the distribution sector, have been a historical challenge. The Ujjwal DISCOM Assurance Yojana (UDAY) provided temporary relief by reducing interest burdens for discoms, but fiscal debt accumulation remains an issue as of 2021.
- The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA scheme) aims to enhance household connectivity, potentially boosting residential power demand. With monthly household consumption averaging around 100 kWh/month, this program could add 40-50 billion units to overall power demand. However, the increase in demand from recently electrified households would depend on discoms' ability to provide reliable and uninterrupted supply to these subsidized consumers.
- Electric vehicles (EVs) are expected to contribute to demand growth in the longer term. The government's focus on building charging infrastructure and creating a conducive policy environment aims to increase the share of electric vehicles to 30% by 2030, reducing reliance on fossil fuels for transportation.
- Off-grid, rooftop, and captive solar projects are anticipated to reduce power demand from the grid. With the boost in rooftop solar and declining costs of renewable energy generation, 8-9 GW of rooftop solar capacities are expected by fiscal year 2026, resulting in a 0.5-1% reduction of the base demand.

Overall, power demand growth will be fueled by gradual economic improvement and increased demand from key infrastructure and manufacturing sectors. The successful implementation of rural

electrification programs will also contribute to demand growth. However, increasing energy efficiency, reducing technical losses over the long term, and promoting captive and off-grid renewable energy generation will constrain the overall growth in power demand.

Recent Developments & Initiatives

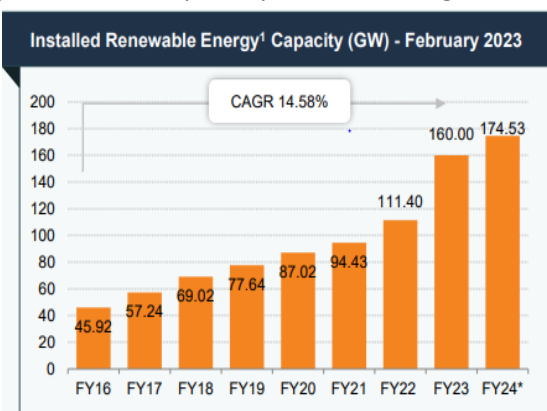
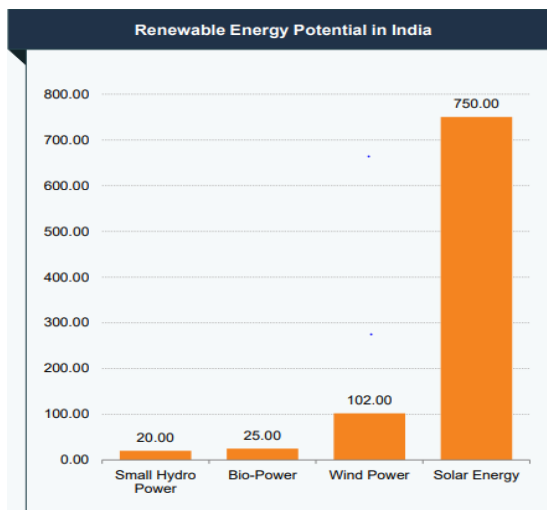
The Ministry of New and Renewable Energy (MNRE), Government of India has notified the National Bioenergy Program on November 2, 2022. MNRE has continued the National Bioenergy Program for the period from FY 2021-22 to 2025-26. The Program has been recommended for implementation in two Phases. The Phase-I of the Program has been approved with a budget outlay of `858 Crores. The National Bioenergy Program will comprise the following sub-schemes:

1. Waste to Energy Program (Program on Energy from Urban, Industrial and Agricultural Wastes /Residues) to support setting up of large Biogas, BioCNG and Power plants (excluding MSWto Power projects).

2. Biomass Program (Scheme to support manufacturing of Briquettes & Pellets and promotion of Biomass {nonbagasse} based cogeneration in Industries) to support setting up of pellets and briquettes for use in power generation and non-bagasse-based power generation projects.

Biogas Program to support setting up of family and medium size Biogas in rural areas.

- Investment in renewable energy in India reached a record US\$ 14.5 billion in FY22, an increase of 125% over FY21. Rising foreign investment in the renewable sector (such as US\$ 75 billion investment from the UAE) is expected to promote further investments in the country.
- In order to meet India’s 500 GW renewable energy target and tackle the annual issue of coal demand supply mismatch, the Ministry of Power has identified 81 thermal units which will replace coal with renewable energy generation by 2026.
- About 5,000 compressed bio-gas plants will be set up across India by 2023.
- In February 2022, a parliamentary standing committee recommended the government to take steps to increase the loan limit for renewable energy sector under priority sector lending. The current limit stands at Rs. 30 crore (US\$ 3.93 million).
- Mumbai headquartered Essar Group has formed the Essar Energy Transition (EET) with the objective to invest a total of US\$ 3.6 billion in developing a range of low carbon energy transition projects over the next five years.
- In July 2021, Mitsui & Co. announced an investment of Rs. 30 crore (US\$ 4.1 million) in Punjab Renewable Energy Systems Pvt. Ltd. (PRESPL), India’s biomass supply chain management company
- India is estimated to have renewable energy potential of 900 GW from commercially exploitable sources - Solar energy: 750 GW; Wind power¹ : 102 GW; Bio-energy: 25 GW; and Small Hydro: 20 GW





(Source - [IBEG](#))

Company Overview

Davangere Sugar Company Limited (“DSCL”) was incorporated in the year 1970 as a 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 lakhs. 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. During the post-acquisition, the new management continuously expanded sugar crushing operations of the company.

Manufacturing Units	Products/Facilities	Sugar Cane Crushing Capacity [FY 2024]	Distillery Capacity (Ethanol through molasses and Sugar syrup as well as grain-based capacity) [FY 2024]	Co-Generation [FY 2024]
Kukkuwada Village, Davangere Taluka & District, Karnataka State – 577 525	Sugar, power, and ethanol Manufacturing	4,750 TCD	65 KLPD	24.45 MW

The company’s basic strategy is to develop sugarcane growing area. During the season 2022-23, our Company was having a sugarcane growing area of 4,800 hectares of land and crushed about 4,82,453 MTs of sugarcane.

Further, in order to explore the opportunity created by the Central Government by announcing new Ethanol Policy in the year 2018, as amended from time to time, the Company decided to set up a 65 KLPD Ethanol Plant along with Zero Liquid Discharge (ZLD) System. The Central Government also announced interest subvention of 6% p.a. for the loans borrowed from the banks and arranged the buyback of the Ethanol Produced from the sugar industry at very remunerative market prices. In the lines of this, Government of India, Department of Food and Public Distribution, Directorate of Sugar & Vegetable Oils, has conveyed its in-principal approval dated September 29, 2018 for grant of interest subvention for a maximum loan amount 73.80 Crore Rupees for 65 KLPD Ethanol Plant along with Zero Liquid Discharge (ZLD) System.

The commissioning of 65 KLPD Ethanol Plant was commenced in November 2020 and the overall project cost of the Ethanol Unit is estimated to be ₹99.31 crores and Company availed a term loan of ₹ 73.04 crores from the existing consortium banks. The New Ethanol Policy of the Central Government is very supportive for the growth of companies having sugar manufacturing facilities like us. The Company has entered into contracts with oil marketing companies (OMC) for supplying of ethanol commencing from the expected date of commercial production. The ethanol project commissioning is completed and expected to start production from 31st May, 2022. Company has obtained Consent to Operate for commencing production. From the Karnataka State Pollution Control Board.

Expansion Plans:

The Company has decided to implement a strategic shift towards sugarcane and ethanol production, which has proven to be significantly more profitable than traditional sugar production and sales. In



In light of this decision, the Company aims to expand its existing ethanol production capacity from 65 KLPD (Kilo Liters per Day) to 110 KLPD. The estimated cost of this expansion project amounts to Rs. 54 Crores. To finance the expansion and cover the cost of the existing capacity, the Company intends to secure a loan of Rs. 40 Crores from Banks and Financial Institutions. The projected timeline for completing the expansion plan is set for the year 2024.

SWOT Analysis

Strength:

- Fully Integrated Sugar/Ethanol manufacturing Plant
- Ample availability of sugarcane, grains, labour, water & power
- Huge Land Bank (150 acres at approx. value of INR 450 Cr) available for expansion.
- Process in place to produce premium Ethanol.
- Co-generation of power for existing plants
- Promotes sustainable economy by providing employment opportunities to local communities

Opportunities:

- Demand & supply gap of Ethanol blending ratio
- Superior and latest technology to expand business
- Track record of successful operations
- Superior utilization of fixed assets
- Introduction of sustainable solutions

Weakness:

- Dependency on supply of Sugarcane
- Climatic Conditions

Threats:

- Competitions from other sugar mills
- Political uncertainty
- Government Regulations

FOR DAVANGERE SUGAR COMPANY LIMITED
Sd/-

GANESH SHAMANUR
Managing Director

00451383

Date: 06th September, 2024

Place: Davanagere



ANNEXURE VII

**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, 2024 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**

Sd/-

Sd/-

SHAMANUR SHIVASHANKARAPPA GANESH
Managing Director

**PARAMESHWARAPPA
ONKARAPPA**
CFO

Date: - 06th September, 2024

Place: - Davangere



ANNEXURE VIII

CERTIFICATE ON CORPORATE GOVERNANCE BY PRACTICING COMPANY SECRETARY

(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,
Add: 73/1, P.B. No. 312, Shamanur Road,
Davangere, Karnataka, 577004.

I have examined the compliance of the conditions of Corporate Governance by **Davangere Sugar Company Limited** ('the Company') for the year ended on 31st March, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para- C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended on 31st March, 2024.

I further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Shivam Sharma & Associates
Company Secretaries

Sd/-
Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.:
1811/2022 UDIN: A035727F000759747
Date: July 17, 2024
Place: Mumbai

Annexure - IX

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 2024, the Board of Directors had six members comprising of one Managing Director, one Executive Director, one Non-Executive Director, and three Independent Directors.

(b) Board Meetings

During the Financial Year 2023-24, six (6) Board Meetings were conducted on 30th May 2023, 28th July 2023, 14th August 2023, 06th November 2023, 14th February 2024, 05th March 2024. 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 2023-24 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 29/08/2023 Attended or not
1. Mr. S.S.Ganesh	Managing Director	Yes	-	4,08,85,273	6	6	Yes
2. Mr. Abhijith Ganesh Shamanur	Executive Director	Yes	Son of M.D.	69,14,724	6	6	Yes
3. Mrs. Rekha Ganesh*	Non-Executive Director	Yes	Wife of M.D.	60,86,200	6	6	No

4. Mr. Tumbegere Rudrappa	Independent Director	-	-	-	6	6	Yes
5. Mr. Thappagondanahalli Rajashekharappa	Independent Director	-	-	-	6	6	Yes
6. Mrs. Veena Umapathy	Independent Director	-	-	60,150	6	6	No

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

Mrs. Swathi Shamanur appointed as non-executive director w.e.f. 19th April, 2024

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 (including alternate/nominee Director)	No. of committees (other than Davangere Sugar Co., Ltd) in which Member
1.	Mr. S.S.Ganesh	3	NIL
2.	Mr. Abhijith Ganesh Shamanur	NIL	NIL
3.	Mrs. Rekha Ganesh**	NIL	NIL
4.	Mr. Tumbegere Rudrappa	NIL	NIL
5.	Mr. Thappagondanahalli Rajashekharappa	NIL	NIL
6.	Mrs. Veena Umapathy	NIL	NIL

**Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

(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
1. Mr. S. S. Ganesh	√	√	√	√	√	√	√	√	√
2. Mr. Abhijith Ganesh Shamanur	√	√	√	√	√	√	√	√	√

3. Mrs. Rekha Ganesh*	√	√	√	√	√	√	√	√	√
4. Mr. Tumbegere Rudrappa	√	√	-	√	√	√	-	-	-
5. Mr. Thappagondanahalli Rajashekharappa	√	√	-	√	-	-	√	√	√
6. Veena Umapaty	√	√	-	√	-	-	√	-	√

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

(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.

The Company has familiarisation 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 familiarisation 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

Audit Committee was constituted with one Executive Director and two Independent Directors, the compliance officer acts as secretary of the Committee.

Sl. No.	Name of the Director	Position	Designation
1	Sri Tumbegere Rudrappa	Member	Independent Director
2	Sri Abhijith Ganesh Shamanur	Member	Executive Director
3	Sri Thappagondanahalli Rajashekharappa	Chairman	Independent Director

(c) Meetings and Attendance during the year

Five meetings were held during the financial year ended 31st March, 2024 on 30th May 2023, 28 July, 2023, 14 August, 2023, 06th November, 2023, 14th February, 2024,

Sl.No.	Name of the Director	Number of Meetings held	Number of Meetings attended
1	Sri Tumbegere Rudrappa	5	5
2	Sri Abhijith Ganesh Shamanur	5	5
3	Sri Thappagondanahalli Rajashekharappa	5	5

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 was constituted with one Non-Executive Director and two Independent Directors namely,

Sl.No.	Name of the Director	Position	Designation
1	Sri Thappagondanahalli Rajashekharappa	Chairman	Independent Director
2	Smt. Rekha Ganesh*	Member	Non-Executive Director
3	Sri Tumbegere Rudrappa	Member	Independent Director
4	Mrs. Swathi Shamanur**	Member	Non-Executive Director

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

** Mrs. Swathi Shamanur was inducted to the Committee w.e.f 05th May 2024

(c) One meeting was held during the financial year ended 31st March, 2024, 14th February, 2024.

Sl. No.	Name of the Director	Number of Meetings held	Number of Meetings Attended
1	Sri Thappagondanahalli Rajashekharappa	1	1
2	Smt. Rekha Ganesh*	1	1
3	Sri Tumbegere Rudrappa	1	1

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

(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.

TRANSFER & SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE (STAKEHOLDERS RELATIONSHIP COMMITTEE):

Transfer & Shareholders' / Investors' Grievance Committee was constituted with one Non-Executive Director and two Independent Directors, the committee met once during the year 2023-24.

Sl. No	Name of the Director	Position	Designation
1	Sri Tumbegere Rudrappa	Member	Independent Director
2	Smt. Rekha Ganesh*	Member	Non-Executive Director
3	Sri Thappagondanahalli Rajashekharappa	Chairman	Independent Director
4	Mrs. Swathi Shamanur**	Member	Non-Executive Director

The committee met once during the year 2023-24 on 5th March, 2024.

Sl. No.	Name of the Director	Number of Meetings held	Number of Meetings Attended
1	Sri Thappagondanahalli Rajashekharappa	1	1
2	Smt. Rekha Ganesh*	1	1
3	Sri Tumbegere Rudrappa	1	1

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

** Mrs. Swathi Shamanur was inducted on the Committee w.e.f 05th May 2024.

Sl. No	Particulars	Remarks
1	Name & Designation of the Compliance Officer	Ms. Nidhi Vaswani, 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

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	Sri Tumbegere Rudrappa	Chairman	Independent Director
2	Smt. Rekha Ganesh*	Member	Non-Executive Director
3	Sri Thappagondanahalli Rajashekharappa	Member	Independent Director
4	Mrs. Swathi Shamanur**	Member	Non-Executive Director

*Smt. Rekha Ganesh has resigned as a Director w.e.f 04th May 2024.

** Mrs. Swathi Shamanur was inducted to the Committee w.e.f 05th May 2024

b) The Committee met once during the year on 05th March, 2024

Sl.No.	Name of the Director	Number of Meetings held	Number of Meetings Attended
1	Sri Thappagondanahalli Rajashekharappa	1	1
2	Smt. Rekha Ganesh*	1	1
3	Sri Tumbegere Rudrappa	1	1

Particulars of senior management of the Company as on 31st March 2024:

Name	Functional Head/ Area of responsibility
REVANASIDDAPPA.M	General Manager (Sugar)
PRAKASH V.R	General Manager (Cane)
DEVARAJ .S	General Manager (Co-gen)
ANANDAN .P	General Manager (Distillery Unit)

There was no change in Senior Management of the Company during the year.

(i) Remuneration of Directors

(in Lacs)

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

(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	29.08.2023	11.00 A.M.
• Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere	29.09.2022	11.00 A.M.

<ul style="list-style-type: none"> Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere 	29.09.2021	11.00 A.M.
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(b) Whether Special Resolutions were put through Postal Ballot last year: No

(c) Persons who conducted the Postal Ballot exercise: 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 results are also posted on the Company's website: www.davangeresugar.com . 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 Monday, 30 th September, 2024 at 11:30 a.m. at Thogataveera Samudhaya Bhavana, M.C.C. 'A' Block, Davangere -577004
(b)	Financial Calendar	
	First Quarter Results	14 th August 2023
	Second Quarter Results	06 th November 2023



	Third Quarter Results Annual Results of 2022-23 Annual General Meeting	14 th February 2024 24 th May 2024 30 th September, 2024
(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 2024-25 to BSE and NSE. The Company had recently listed its shares on the National Stock Exchange Limited (NSE), w.e.f. 25 th January, 2024.
(e)	i. Stock Code ii. Demat ISIN Number for NSDL&CDSL	543267 INE179G01029
(f)	Market price data High/Low during each month in the last financial year	Provided under market price data below
(g)	Stock performance in comparison to broad based indices such as BSE Sensex, CRISIL Index etc.	Not applicable
(h)	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
(i)	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. Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt. As required under Regulation 40 of the SEBI LODR Regulations, a certificate on yearly basis confirming due compliance from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.
(j)	Distribution of Shareholding as on 31st March 2024:	Provided as under
(k)	De-materialization of shares and liquidity	The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

		<p>The number of shares held in dematerialized and physical mode as on 31st March 2024 is as under:</p> <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>30196759</td> <td>32.10%</td> </tr> <tr> <td>NSDL</td> <td>62865519</td> <td>66.82%</td> </tr> <tr> <td>Physical</td> <td>1022184</td> <td>1.08%</td> </tr> <tr> <td>TOTAL</td> <td>94084462</td> <td>100.00</td> </tr> </tbody> </table> <p>Shareholders may dematerialize their shareholding by anyone of the Depositories namely NSDL and CDSL.</p>	Issued Capital	No. of Shares Cap.	% of Total Issued	CDSL	30196759	32.10%	NSDL	62865519	66.82%	Physical	1022184	1.08%	TOTAL	94084462	100.00
Issued Capital	No. of Shares Cap.	% of Total Issued															
CDSL	30196759	32.10%															
NSDL	62865519	66.82%															
Physical	1022184	1.08%															
TOTAL	94084462	100.00															
(l)	Outstanding GDRs / ADRs / Warrants or any convertible instruments.	The company has not issued any GDRs/ADRs/Warrants or any convertible instruments.															
(m)	Plant Locations :	Sugar Unit & Co-generation Unit Kukkuwada Village, Davangere taluk & District, Karnataka State – 577 525															
(n)	Address for Correspondence	Davangere Sugar Company Limited, Kukkuwada Village, Davangere taluk & District, Karnataka State- 577 525															
(o)	Compliance certificate from a Practicing Company Secretary (PCS)	The Company has obtained a Certificate from a practicing Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para E of the Schedule V of the LODR Regulations.															

MARKET PRICE DATA

Company shares are listed on BSE and NSE:

Monthly high/low of market price of the Company's equity shares traded on the Bombay Stock Exchange Ltd. (BSE) during the last financial year was as under:				
Month	Open Price	High Price	Low Price	Close Price
April 2023	54.79	71.00	52.61	68.50
May 2023	66.05	68.10	49.16	60.88
June 2023	63.00	85.00	60.00	79.41
July 2023	80.00	83.70	71.05	76.34
August 2023	76.34	119.88	74.30	105.95
September 2023	104.30	120.00	93.10	93.55
October 2023	97.94	105.00	91.00	94.02
November 2023	97.90	97.90	89.00	93.95
December 2023	92.00	101.00	81.60	88.85

January 2024	87.55	102.50	81.00	96.12
February 2024	97.09	113.45	73.76	103.22
March 2024	105.00	111.35	67.55	75.45

Monthly high/low of market price of the Company's equity shares traded on the National Stock Exchange Ltd. (NSE) during the last financial year was as under:

Month	Open Price	High Price	Low Price	Close Price
January 2024	87.55	102.50	81.00	96.40
February 2024	98.30	115.00	73.75	103.95
March 2024	104.25	112.00	67.20	76.85

The equity shares of the company were listed and admitted to dealings on the National Stock Exchange w.e.f. January 25, 2024.

Distribution of Shareholding as on 31st March, 2024:

Shareholding	Shareholders		Shares	
	Number	% to Total	Number	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	12111	93.90	1146762	1.22
501 - 1000	269	2.09	219188	0.23
1001 - 2000	157	1.22	241894	0.26
2001 - 3000	68	0.53	180449	0.19
3001 - 4000	33	0.26	119825	0.13
4001 - 5000	25	0.19	116481	0.12
5001 - 10000	69	0.53	525263	0.56
10001 and above	166	1.29	91534600	97.29
Total	12898	100.00	94084462	100.00

Details of shares transferred to/ released from Suspense Escrow Demat account during the financial year ended 31st March 2024 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;	8,712	89,90,178
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	224	61,188
number of shareholders to whom shares were transferred from suspense account during the year;	224	61,188



aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	8,488	89,28,990
that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	8,488	89,28,990

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:- During the year 2022-2023 BSE imposed penalty for non-compliance with provisions of Regulation 13(3) and Regulation on 23(9). Penalty was duly paid by the company and Compliances were made.

(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 <https://www.davangeresugar.com/investor/Whistle-Blower-Policy.pdf>

(d) SUBSIDIARY COMPANIES:

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

(e) 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. The policy on dealing with related party transaction can be viewed at <https://www.davangeresugars.com/investor/Related-Party-Transactions-Policy-1.pdf>.

(f) 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.

(g) TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY TO THE STATUTORY AUDITOR AS A STAND ALONE ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART: Rs. 2,50,000



(h) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has complied with the requirement of constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“the Act”) and Rules made thereunder. During the year, there were no complaints received by the Company under the Act.

(i) 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.

(j) 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://www.davangeresugar.com/investor/prohibition_of_insider_trading.pdf

(k) 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://www.davangeresugar.com/investor/policies.html>

(l) DETAILS OF MATERIAL SUBSIDIARIES.

The Company does not have any material subsidiaries as on 31st March, 2024.

(m) DECLARATION BY CHIEF FINANCIAL OFFICER PURSUANT TO SCHEDULE V CLAUSE (D) OF SEBI LODR:

Attached as annexure to this report

(n) The Company has complied with the mandatory Corporate Governance requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.

(o) The Company has not adopted any discretionary requirements mentioned in Regulation 27(1) of the SEBI Listing Regulations.



ANNEXURE X

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,
Add: 73/1, P.B. No. 312, Shamanur Road,
Davangere, Karnataka, 577004.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Davangere Sugar Company Limited** having CIN: **L37100KA1970PLC001949** and having registered office: 73/1, P.B. No. 312, Shamanur Road, Davangere, Karnataka, 577004 (hereinafter referred to as 'the Company'), produced before me 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2024** 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 Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Shamanur Shivashankarappa Ganesh	00451383	31/10/2000
2.	Abhijith Ganesh Shamanur	03451918	30/08/2019
3.	Tumbegere Rudrappa	08717189	04/10/2019
4.	Thappagondanahally Rajashekarappa	08794960	16/07/2020
5.	Veena Umapathy	09424792	21/12/2021
6.	Rekha Ganesh	02764230	25/09/2009

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 Shivam Sharma & Associates
Company Secretaries**

Sd/-

Shivam Sharma

Proprietor

M.No.: A35727, CP. No.: 16558

Peer Review Certificate No.:

1811/2022 UDIN: A035727F000759769

Date: July 17, 2024

Place: Mumbai



CODE OF BUSINESS CONDUCT AND ETHICS

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.

Date: 06th September, 2024

Place: Davangere

By the Order of Board

For Davangere Sugar Company Limited

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



INDEPENDENT AUDITOR'S REPORT

**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, 2024**, 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, 2024, 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.	<p>Company incurred Preliminary & Pre-operative expenses of Rs.1558 lakhs in relation to installation of 65 KLPD Distillery Unit (Ethanol Manufacturing Unit). Company incurred Rs.1558 lakhs up to 31.05.2022 till the completion of the commissioning of the Distillery Unit.</p>	<p>Principal Audit Procedures:</p> <p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> -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: <p>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 31.03.2023 and also 31.03.2024. Company is planning to complete the installation of grain based unit with expanded capacity to the extent of additional 45 KLPD during the FY 2024-25.</p>



<p>2.</p>	<p>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2024. As on March 31, 2024, the Company has inventory of sugar with the carrying value 3,674.21 Lakhs. The inventory of sugar is valued at the lower of cost and net realizable value.</p> <p>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.</p>	<p>Principal Audit Procedures :</p> <p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</p> <p>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.</p> <p>Based on the above procedures performed, the management’s determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</p>
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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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company 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 2024 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, 2024.
 - (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, 2024.

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.

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

(e) 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 'Tally Prime System' 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**

Sd/-

Hiren J. Maru

Partner

M. No. 115279

FRN: 0112187W

Place: Jamnagar

Date: 24-05-2024

UDIN: 24115279BKBWKB2160



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENT OF DAVANGERE SUGAR COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2024

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, 2024 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.
- 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:

1. 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.20 crores to Canara Bank, Rs.10.00 crores Indian Bank and Rs.8.00 crores to State Bank of India, Davangere. Except these, company has not extended any kind of guarantee to any other entity during the year.
2. 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;
3. 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.
4. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
5. 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.
6. 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 31/03/24 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 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	Department has gone for appeal against the orders of DCIT, who has reduced the loss to the extent of stock difference and tax refund was reduced. Company is contesting the appeal
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

(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.

(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 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.

**FOR D G M S & Co.,
Chartered Accountants**

Sd/-

**Hiren J. Maru
Partner
M. No. 115279
FRN: 0112187W
Place: Jamnagar
Date: 24-05-2024**

UDIN: 24115279BKBWKB2160



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF
DAVANGERE SUGAR COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2024**

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, 2024 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 2024** 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, 2024, 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.

**FOR D G M S & Co.,
Chartered Accountants**

Sd/-

**Hiren J. Maru
Partner
M. No. 115279
FRN: 0112187W
Place: Jamnagar
Date: 24-05-2024**

UDIN: 24115279BKBWKB2160

DAVANGERE SUGAR COMPANY LIMITED

KUKKUWADA-577525

BALANCE SHEET AS AT 31.03.2024

(Rs.in Lakhs)

PARTICULARS	Note No.	AS AT 31.03.2024	AS AT 31.03.2023
		Total	Total
I ASSETS			
A) NON -CURRENT ASSETS			
a) Property , Plant and Equipments	1	35,893	34,954
b) Intangible Assets		1	4
c) Financial Assets			
i) Investments	2	456	405
ii) Loans and Advances	3	-	-
d) Other Non Current assets	4	1,988	416
B) CURRENT ASSETS			
a) Inventories	5	12,190	9,155
b) Financial Assets			
i) Trade Recevables	6	1,843	2,133
ii) Cash and cash equivalents	7	342	331
iii) Loans and Advances	8	15,455	12,274
TOTAL		68,168	59,672
I EQUITY AND LIABILITIES			
A) EQUITY			
a) Share Capital	9	9,408	9,408
b) Other equity	10	24,590	21,794
B) LIABILITIES :			
1) NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	11	6,849	9,492
ii) Deferred Tax Liability	12	173	204
iii) Other Long Term Liabilities	13	4,691	1,425
iv) Provisions	14		
2) CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	15	19,565	14,971
ii) Trade Payables	16		
- Dues of micro enterprises and small enterprises		-	23
- Dues of Creditor other than micro enterprises and smal enterprises		2,183	1,526
iii) Other Liabilities	17	706	829
iv) Provisions	18	3	-
TOTAL EQUITY AND LIABILITIES		68,168	59,672

As per our Audit Report of even date annexed
For D G M S & CO
Chartered Accountants

Sd/-

Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 24.05.2024
Place: JAMNAGAR
UDIN: 24115279BKBWB2160

For and on behalf of the Board of Directors

Sd/-
Abhijith G Shamanur
Executive Director
[DIN -03451918]

Sd/-
Ganesh S Shamanur
Managing Director
[DIN - 0045183]

Sd/-
Onkarappa P
Chief Financial Officer

Sd/-
Nidhi Hitesh Vaswani
Company Secretary

DAVANGERE SUGAR COMPANY LIMITED

KUKKUWADA -577525

PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2024

(Rs.in Lakhs)

PARTICULARS		Note No.	AS AT 31.03.2024	AS AT 31.03.2023
			Total	Total
I	REVENUE FROM OPERATIONS (GROSS)	19	21,653	27,994
II	Other Income	20	644	64
III	Total Income		22,297	28,058
IV	EXPENSES			
	a) Cost of materials	21	10,753	13,936
	b) Power and fuel	21	1,891	1,975
	c) Purchase of Traded Goods	22	-	-
	d) Changes in inventories of finished goods and work in progress	23	1,275	3,316
	e) Employees Benefit Expenses	24	846	853
	f) Interest on Borrowings	25	2,389	2,602
	g) Bank Charges	25	147	111
	h) Depreciation	1	1,196	1,158
	i) Other Expenses	26	2,354	2,340
	TOTAL EXPENSES		20,851	26,290
V	PROFIT / LOSS BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		1,445	1,768
VI	Exceptional Items			
VII	PROFIT / LOSS BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		1,445	1,768
VIII	Extraordinary Items			
IX	PROFIT /LOSS BEFORE TAX (VII-VIII)		1,445	1,768
X	TAX EXPENSES			
	a) Minimum Alternative Tax Expense		252	331
	b) Deferred Tax		(31)	116
	Total	12	222	446
XI	PROFIT / LOSS FOR THE PERIOD (IX-X)		1,224	1,322
XII	OTHER COMPREHENSIVE INCOME			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(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		-	-
XIII	TOTAL COMPREHENSIVE INCOME FOR THE YEAR - (XI-XII)		1,224	1,322
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)		1,224	1,322
XV	Earnings per Share (Basic and Diluted)Rs.		1.30	1.48

As per our Audit Report of even date annexed
for D G for D G M S & CO
Charte Chartered Accountants

Sd/-

Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 24.05.2024
Place: JAMNAGAR
UDIN: 24115279BKBWKB2160

For and on behalf of the Board of Directors

Sd/-
Abhijith G Shamanur
Executive Director
[DIN -03451918]

Sd/-
Onkarappa P
Chief Financial Officer

Sd/-
Ganesh S Shamanur
Managing Director
[DIN - 0045183]

Sd/-
Nidhi Hitesh Vaswani
Compliance Officer

DAVANGERE SUGAR COMPANY LTD
KUKKUWADA
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2024

Rs. In lakhs

SI.No.	Particulars	As at 31.03.2024	As at 31.03.2023
A	<u>Cash flow from Operating activities:</u>		
	Net profit after tax	1,223.72	1,321.55
	Adjustment for provision for taxation	221.52	446.46
		1,445.24	1,768.01
	Adjustment for depreciation	1,195.99	1,157.53
	Operating profit before working capital adjustment	2,641.23	2,925.54
	Adjustment for:	-	-
	Inventories	-3034.30	2,453.43
	Sundry Debtors & trade receivables	289.80	1,429.69
	Trade payables	634.28	1,146.84
	Deferred Tax	-30.97	115.78
	Others	-252.46	-
	Net cash flow from operating activities	-2,393.65	5,145.74
B	<u>Cash flow from Investing Activities:</u>		
	Sale of Fixed Assets	-	-
	Purchase of Fixed Assets	-2,237.86	-2,014.78
	From capital work in progress	-	-
	From Investments	-51.03	-
	Net Cash flow from Investing activities	-2,288.89	-2,014.78
C	<u>Cash flow from Financing activities:</u>		
	Proceeds from share allotment	-	3,840.00
	Proceeds from share premium & Capital reserve	-	960.00
	Proceeds from working capital loan	-	-
	Proceeds from Short Term Borrowings	4,593.47	190.50
	Proceeds from Long Term Borrowings	-2,642.52	-
	Proceeds from Other Long Term Liabilites	-	-1,662.72
	Proceeds from Long Term Loans and Advances	-	-
	Proceeds from Other Current Liabilities	-123.67	118.20
	Proceeds from Short Term Provisions	3.00	219.41
	Proceeds from Short Term Loans and Advances	-3,180.72	-6,289.99
	Proceeds from unsecured loan	3,265.80	-3,900.00
	Net cash flow from financing activity	1,915.36	-6,524.61
		-	-
	Net Cash and Cash Equivalents (A+B+C)	-125.94	-331.50
	Cash and Cash Equivalents at the beginning of the year	468.10	799.60
	Cash and Cash Equivalents at the end of the year	342.17	468.10

For D G M S & CO
Chartered Accountants

Sd/-
Hiren J Maru
Partner, Membership No.115279
FIRM R.No: 0112187W
DATE : 24.05.2024
Place: JAMNAGAR
UDIN: 24115279BKBWBK2160

Abhijith G Shamanur
Executive Director
[DIN -03451918]

Onkarappa P
Chief Financial Officer

Ganesh S Shamanur
Managing Director
[DIN - 0045183]

Nidhi Hitesh Vaswani
Compliance Officer

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 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 recognised 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 realised 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 realised / 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.

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 derecognition 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 recognised 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.

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.

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.

(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 Cash flow

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 on First-In-First-Out basis.

Goods for Resale – valuation Cost is determined on First-In-First-Out basis.

Realizable 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 recognised 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 **30th May, 2023** 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 recognised 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.

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 recognised 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:

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

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 recognised 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 recognised 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 recognised 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 amortised 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also

recognises 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 recognised 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 amortised 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:

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.

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:
- a. 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
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

- a. 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
- b. 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:-

Sr No.	Name Of related Parties	Nature of relation	Nature of Transaction	O/s at the beginning Receivable/ (Payable)	Rs. in Lakhs		O/s at the End Receivable/ (Payable)
					Amount Debited	Amount Credited	
1.	M/s. Kalleswara Traders	MD's Relative is partner in firm	Purchase & Sale of goods & Services	--	3.55	--	--
2.	M/s. S Kallappa & Sons	MD partner in firm	Purchase & Sale of goods & Services	--	153.62	153.62	--
3.	M/s. Shivashankar Associates	MD partner in firm	Purchase & Sale of goods & Services	--	--	--	--
4.	M/s. Shamanur Transport	E D is the proprietor	Purchase & Sale of goods & Services	2.72	9.20	7.24	0.76
5.	GMM Enterprises	MD and ED are partners in the firm	Purchase & Sale of goods & Services	7.77	36.05	30.51	2.22

41. Deferred tax Assets and Liabilities are as under:-

Components of which are as under:-

Particulars	(Rs. In Lakh)	
	Amount (Rs.)	Amount (Rs.)

	31-3-2024	31-3-2023
Deferred Tax		
Depreciation	+551.17	+660.84
Carried forward Loss	+487.37	--
Gratuity Provision	+50.36	--
Net Differed Tax Liability/(Asset)	(30.96)	115.78

41. Earnings Per Share

(Rs. In Lakhs)

Particulars	Year Ended on 31 st March, 2024 (Rs.)	Year Ended on 31 st March, 2023 (Rs.)
Profit / (Loss) after tax attributable to Equity Shareholders (A)	1,223.72	1,321.54
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	9,40,84,462	9,40,84,462
Basic Earnings Per Share for each Share of Rs.10/- (A) / (B)	1.30	1.48

42. Corporate Social Responsibility (CSR)

The section 135 (Corporate social responsibility) of companies act, 2013 is applicable to the company for the Financial Year 2023-24 since the PAT of the company exceeds Rs.5 crores. The Company made a profit of Rs. 1768 Lakhs (Profit Before Tax) during the Financial Year 2022- 23 and hence the CSR provisions are applicable for the Financial Year 2023-24. The company has spent Rs. 14.26 lacs being 2% of the average Net Profit for the past 3 years on enhancement of the education activities. The CSR provisions are applicable for the FY 2023-24 and the company has to spend Rs.25.87 Lakhs during the current FY 2024-25 (before end of FY) for the CSR activities as specified in the Schedule VII to the Companies Act, 2013.

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 2024		Year Ended on 31 st March 2023	
		Principal	Interest	Principal	Interest
i	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
ii	Amount paid beyond the appointed	Nil	Nil	Nil	Nil

	date during the year				
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.

47. Utilization of Borrowed funds and share premium:-

As on March 31, 2024 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, 2024	As at 31 st March, 2023	% of change in Ratio	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.33	1.37	-0.04	increase in current liabilities during FY 24
Debt Equity Ratio	Debt capital	Shareholder's Equity	1.01x	0.78x	+0.23	increase in unsecured loans

						from directors during FY 24
Debt Service Coverage Ratio	EBITDA-CAPEX	Debt Service (Int.+Principal)	0.92x	1.12x	-0.20	lower EBIDTA and increase in instalments during the FY 24
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	4.25%	4.69%	-0.44	decrease in the net profit for the FY 24
Inventory Turnover Ratio	Sales	Average Inventory	2.03x	2.70x	-0.67	increase in inventory and decrease in turnover during FY 24
Trade Receivables turnover ratio	Net Sales	Closing trade receivables	11.75x	9.83x	+1.92	Decrease in the trade receivable FY 24
Trade payables turnover ratio	Cost of Material Consumed	Closing Trade Payables	5.79x	10.27x	-4.48	increase in cost and lower payable in the PY 23
Net capital turnover ratio	Sales	Working capital (CA-CL)	2.94x	4.28x	-1.34	increase current assets and decrease in turnover during FY 24
Net profit ratio	Net Profit	Sales	5.65%	4.60%	1.05	more turnover during the FY 23
Return on Capital employed	Earnings before interest and tax	Capital Employed	8.42%	10.37%	-1.95	decrease in net profit during FY 24
Return on investment	Net Profit	Investment	2.69%	3.14%	-0.45	decrease in net profit during FY 24

49. Shares Held by Promoters at the End of the Year

Sr. No.	Promoter Name	No. of Shares 2023-24	% of Total Shares	No. of Shares 2022-23	% of Total Shares	% Changes During the Year
1	GANESH S S	40094148	42.61	44322478	47.11	-4.5
2	ABHIJITH GANESH SHAMANUR	6914724	7.35	6914724	7.35	No
3	REKHA GANESH .	6086200	6.47	6086200	6.47	No
4	SHAMANUR SHIVASHANKARAPPA	1626803	1.72	1626653	1.72	No
5	ANCHAL GANESH SHAMANUR	1500000	1.59	1500000	1.59	No
6	AKHIL G SHAMANUR	1000000	1.06	1000000	1.06	No
7	S S MALLIKARJUNA	208174	0.22	208174	0.22	No

Segment Reporting

REPORTING ON SEGMENT WISE REVENUES, RESULTS, ASSETS AND LIABILITIES						
Rs in Lakhs						
Sr.No.	PARTICULARS	For the quarter ended			For Twelve months Ending on Year ended	
		31-03-2024	31-12-2023	31-03-2023	31-03-2024	31-03-2023
		Audited	Unaudited	Audited	Audited	Audited
1	Segment Revenue					
a)	Sugar	3064.32	3308.60	3149.98	9466.46	13019.78
b)	Co-Generation	575.57	794.21	1324.54	1369.78	2306.31
c)	Aviation	78.78	153.74	82.64	391.31	282.76
d)	Distillery	2638.29	3574.77	4006.15	10425.50	12383.85
e)	Others	187.38	52.52	130.53	643.68	63.12
	Income from operations	6544.33	7883.84	8693.84	22296.72	28055.82
2	Segment Results					
	Profit (+)/Loss(-) before tax, Interest and exceptional items from each segment		-			
a)	Sugar	500.85	758.07	(185.40)	1630.03	(649.10)
b)	Co-Generation	180.48	400.89	1036.15	261.08	507.16
c)	Aviation	(60.52)	93.81	(57.45)	(44.60)	(105.21)
d)	Distillery	305.22	168.43	1262.19	2134.00	4732.23
	Total	926.03	1,421.20	2055.49	3,980.51	4485.06
	Add: Exceptional item	-	-	-	-	-
	Less: Interest	466.28	729.90	908.30	2535.27	2712.58
	Other Un-allocable expenditure net off	-	-	-	-	-
	Un-allocable corporate assets	-	-	-	-	-
	Total Profit Before Tax	459.75	691.30	1,147.19	1,445.24	1,772.48
3	Segment Assets -					
a)	Sugar	36,724.27	48,529.68	37,967.00	36,724.27	37,967.00
b)	Co-Generation	9,259.59	6,827.01	11,009.67	9,259.59	11,009.67
c)	Aviation/others	163.03	8.33	834.15	163.03	834.15
d)	Distillery	22,020.35	13,127.84	9,861.44	22,020.35	9,861.44
	Total segment assets	69,167.24	68,492.86	59,672.26	68,167.24	59,672.26
	Segment Liabilities -					
a)	Sugar	22,801.10	27,374.41	19,058.81	22,801.10	19,058.81
b)	Co-Generation	8.95	96.22	144.64	8.95	144.64
c)	Aviation/others	1.12	(108.24)	3.54	1.12	3.54
d)	Distillery	11,357.69	8,930.05	9,312.76	11,357.69	9,312.76
	Total Segment Liabilities	34,168.87	36,292.44	28,519.75	34,168.87	28,519.75

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 : NON - CURRENT ASSETS		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
PROPERTY , PLANT AND EQUIPMENTS SCHEDULE 'ANNEXED' (As per Fixed Assets and Depreciation Schedule)		35,894	34,958
TOTAL		35,894	34,958

NOTE 2 : FINANCIAL ASSETS (NON - CURRENT)		AS AT 31.03.2024	AS AT 31.03.2023
A NON-TRADE (QUOTED- AT COST)		-	-
B NON-TRADE (UN QUOTED- AT COST)			
I a In Government Securities		-	-
II INVESTMENTS			
a) Shares with DSCL Employee's Co-operative Society 500 Shares of Rs.10/- each		-	-
b) Shares with Bapuji Co-operative Bank Limited, (200 Shares of Rs.50/- each)		-	-
c) Shares with Davangere Harihar Urban Co-operative Bank Limited, (1001 Shares of Rs.1000/- each)		10	10
d) Shares with Chitradurga District Co-operative Bank Limited, (288200 Shares of Rs.50/- each)		445	394
e) Shares with SVC Bank Limited (25 Shares of Rs.100 each)		-	-
III OTHER INVESTMENTS			
TOTAL		456	405

NOTE 3 : LOANS AND ADVANCES		AS AT 31.03.2024	AS AT 31.03.2023
I Loans and Advances		-	-
TOTAL		-	-

NOTE 4 : OTHER NON CURRENT ASSETS:		AS AT 31.03.2024	AS AT 31.03.2023
I M A T Credit Entitlement		1,988	416
TOTAL		1,988	416

NOTE 5 : INVENTORIES		AS AT 31.03.2024	AS AT 31.03.2023
A FINISHED GOODS: (Value at lower of cost or net realisable value and as certify by the Managing Director)			
I Sugar		2,459	3,674
II Molasses		1,370	2,576
III Anhydrous Ethanol		1,178	304
B RAW MATERIALS			
I Maize		2,687	-
II Bagasse		273	-
III Coal		3,440	1,744
C STORES, SPARES, AND COMPONENTS		782	857
TOTAL		12,190	9,155

NOTE 6 : TRADE RECEIVABLES:

		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
A	UN SECURED CONSIDERED GOOD		
I	Out standing for a period exceeding 180 days	-	-
II	Out standing for a period below 180 days	1,843	2,133
TOTAL		1,843	2,133

NOTE 7 : CASH AND CASH EQUIVALENTS

		AS AT 31.03.2024	AS AT 31.03.2023
A	BALANCE WITH BANKS		
I	Cash on hand	36	21
II	In Current Account with Schedule Banks	138	230
III	In Current Account with Non Schedule Banks	10	11
IV	Term Deposits with Schedule Banks	159	70
TOTAL		342	331

NOTE 8 : SHORT TERM LOANS AND ADVANCES

		AS AT 31.03.2024	AS AT 31.03.2023
I	Sundry Deposit	53	3
II	In Deposit with Central Excise/ Customs Department		
a	Differential Customs Duty Paid on Helicopter (Dispute resolved)	-	207
b	Advance Excise Duty on Sugar / Molasses/ others	908	1,130
III	Advances recoverable in cash or in kind	14,161	9,376
IV	Preliminary and Pre-operative Expenses	333	1,558
TOTAL		15,455	12,274

NOTE 9 : SHARE CAPITAL

		AS AT 31.03.2024	AS AT 31.03.2023
Authorised Share Capital :			
10,00,00,000 Equity Shares of Rs. 10/- each		10,000	10,000
Issued , Subscribed and Paid-up Capital :			
9,40,84,462 Equity Shares of Rs. 10/- each		9,408	9,408
TOTAL		9,408	9,408

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 5% of the Share capital and their share holdings.

Sl. No.	Name of the Share Holder	Percentage	No. of Shares	No. of Shares
1	S S GANESH	42.61	4,00,94,148	4,43,22,478
2	ABHIJITH GANESH SHAMANUR	7.35	69,14,724	69,14,724
3	REKHA GANESH	6.47	60,86,200	60,86,200
4	M/S MAFATLAL PLAYWOOD INDUSTRIES LIMITED	8.50	80,00,000	80,00,000

NOTE 10 : OTHER EQUITY

		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
1	Capital Reserve: Balance at the beginning and end of the year	4	4
2	Securities Premium Reserve : Balance at the beginning and end of the year	1,209	1,209
3	Revaluation Reserve as per IND-AS (Incorporated from FY 2020-21)	15,478	15,478
4	General Reserve : Balance at the beginning and end of the year	60	60
		16,751	16,751
5	Surplus : Balance brought forward from previous year	5,681	4,359
	Add : Mat Credit Entitlement of past years	1,319	-
	Add : Mat Credit Entitlement of current year	252	-
	Add: Transfer from the Statement of Profit and Loss Account for the year	1,225	1,322
	Other Comprehensive Impairments	(638)	(638)
Balance available for Appropriations		24,590	21,794
Appropriations:			
Balance carried forward to next year		24,590	21,794
TOTAL		24,590	21,794

NOTE 11 : LONG TERM BORROWINGS

		AS AT 31.03.2024	AS AT 31.03.2023
A	Secured:		
1	i Working Capital Term Loan/Demand Loan:		
	Davangere District Central Co-operative Bank (WCTL)	549	1,077
	State Bank Of India (WCDL)	538	757
ii	Soft Loans:		
	State Bank of India	-	6
	Canara bank	-	9
iii	GECL- Loans:		
	State Bank of India	134	340
	Canara bank	119	238
	Indian Bank	65	113
iv	GECL- Extended Loans:		
	State Bank of India	291	402
	Canara bank	305	415
	Indian Bank	90	115
iv	Term Loans - (Ethanol Plant)		
	Davangere District Central Co-operative Bank	1	829
	Indian Bank	810	864
	Canara Bank	1,931	2,100
	State Bank of India	1,900	2,179
	SVC Bank Ltd	100	-
v	Vehicle Loans	17	47
TOTAL		6,849	9,492

NOTE 12 : DEFERRED TAX LIABILITIES

(Rs.in Lakhs)

		AS AT 31.03.2024	AS AT 31.03.2023
Deferred Tax Liability			
a) Deferred Tax Liability - As per Last Balance Sheet		204	88
b) Net Deferred Tax Liabilities / (Assets) thereon		204	88
c) Add/Less: Provided for during the previous year (Liability/Asset)		(31)	116
TOTAL		173	204

NOTE 13 : OTHER LONG TERM LIABILITIES

		AS AT 31.03.2024	AS AT 31.03.2023
a) Unsecured Loan from the Managing Director		4,691	1,425
TOTAL		4,691	1,425

NOTE 14 : LONG TERM PROVISIONS

		AS AT 31.03.2024	AS AT 31.03.2023
a) Provisions for Employees Benefits		-	-
b) Others:		-	-
TOTAL		-	-

NOTE 15 : SHORT TERM BORROWINGS

		AS AT 31.03.2024	AS AT 31.03.2023
A Secured:			
Short Term Loan payable on demand			
(i) Cash Credit Loans from Consortium Banks		8,398	7,123
(ii) Other Short Term Loans			
a) DDCC Bank Fertilizer and Seeds loan		1,501	1,500
b) DDCC Bank Short Term Business Loan (Loan on Stock)		4,603	4,001
e) DDCC Bank Agri Business loan		2,001	-
d) Current maturities of Long Term Liabilities		3,062	2,346
B Un-Secured:			
TOTAL		19,565	14,971

NOTE 16 : TRADE PAYABLES

		AS AT 31.03.2024	AS AT 31.03.2023
A Secured:			
Sundry Creditors for Sugarcane Purchases:			
a) Dues on Sugarcane supply		378	612
Sundry Creditors			
a) - Dues of micro enterprises and small enterprises		-	23
b) - Dues of Creditor other than micro enterprises and small enterprises		1,806	915
TOTAL		2,183	1,549

NOTE 17 : OTHER CURRENT LIABILITIES			
(Rs.in Lakhs)			
		AS AT 31.03.2024	AS AT 31.03.2023
a) Interest accrued and due on Borrowings - Short term loans		11	67
b) Advance against Sales		41	56
c) Statutory Remittances		13	13
d) Trade or Security Deposits received		70	94
e) Mat Tax Expenses (Provision)		252	331
f) Others		319	269
TOTAL		706	829

NOTE 18 : SHORT TERM PROVISIONS			
		AS AT 31.03.2024	AS AT 31.03.2023
a) Statutory Audit Fee Payable		2.50	-
b) Tax Audit Fee Payable		0.50	-
TOTAL		3	-

NOTE 19 : REVENUE FROM OPERATIONS			
		AS AT 31.03.2024	AS AT 31.03.2023
A SALE OF PRODUCTS			
I Sale of Sugar:			
a. Domestic sales		9,445	10,692
b. Export Sales		-	2,319
II P Sale of Power		1,370	2,306
III Sale of Ethanol:			
a Ethanol		8,526	11,986
b. Ethanol Relief Claim - Additional Price Incentive		1	125
c Sale of ENA		1,367	-
d. Sale of DDGS		348	-
IV			
a. Coal Ash		1	8
b. Press Mud		17	10
B OTHER OPERATING INCOME			
a. Helicopter Chartering Charges collected		391	283
b. Freight Recovered from OMCs on sale of Ethanol		173	266
TOTAL		21,653	27,994

NOTE 20 : OTHER INCOME			
		AS AT 31.03.2024	AS AT 31.03.2023
A INTEREST INCOME			
a on Loans to Farmers		20	33
b on Fixed deposits with Banks		7	2
c Dividends on Co-op Bank Shares		2	3
C OTHER NON OPERATING INCOME			
a Insurance claims received		1	27
b Subsidy Receivable from Govt. of Karnataka on Ethanol sales Turnover		559	-
c Sundry Creditors balance Written off		44	-
d Items pending in Bank Reconciliation written off		11	-
TOTAL		644	64

NOTE 21 : COST OF MATERIALS CONSUMED		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
A	Sugar Cane purchased and consumed (Inclusive of Cane purchase Tax and Other procurement Charges)	9,493	13,632
B	Consumption of processing materials	1,261	305
		10,753	13,936
B	Steaming Coal purchased and consumed (Inclusive of Duties and Transportation Charges)	1,891	1,975
TOTAL		1,891	1,975

NOTE 22 : PURCHASE OF TRADED GOODS		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
NIL		-	-
TOTAL		-	-

NOTE 23 : (INCREASE) / DECREASE IN INVENTORIES:		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
A FINISHED GOODS			
a) Opening Stock:			
	Sugar	3,674	5,789
	Molasses	2,576	4,081
	Anhydrous Ethanol Finished Goods	304	-
	Total	6,554	9,870
b) Closing Stock:			
	Sugar	2,459	3,674
	Molasses	1,369	2,576
	Anhydrous Ethanol Finished Goods	1,178	304
	Bagasse	273	-
	Total	5,279	6,554
	(a)-(b)	1,275	3,316
GRAND TOTAL		1,275	3,316

NOTE 24 : EMPLOYEE BENEFIT EXPENSES		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
a	Salaries, wages and allowances	738	750
b	Contribution to Provident fund and Other funds	64	72
c	Staff Welfare Expenses	45	31
TOTAL		846	853

NOTE 25 : FINANCE COSTS		(Rs.in Lakhs)	
		AS AT 31.03.2024	AS AT 31.03.2023
a	Interest Expenses	2,389	2,602
b	Other Borrowings Costs	147	111
TOTAL		2,535	2,713

NOTE 26 : OTHER EXPENSES		AS AT 31.03.2024	AS AT 31.03.2023
a	Selling and Distribution Expenses		
	Packing and storage expenses	110	180
	Supply and Distribution Expenses	23	184
	Freight and Forwarding	414	479
b	Repairs and Maintenance:		
	on Buildings	63	9
	on Plant and Machinery	969	978
	on Others	29	14
c	Administrative Expenses		
	Travelling and Conveyance	71	13
	Legal and Professional Charges	78	77
	Postage and Telephone Expenses	2	8
	Printing and Stationery	5	8
	Insurance	100	65
	Water Charges	-	-
	Rent	57	77
	Vehicle Maintenance	125	106
	Advertisement	1	3
	Travelling Expenses to Managing Director	91	93
	Loss on sale of vehicles	-	7
	Provision for future Gratuity on actuarial basis	50	-
	Audit Fee:		
	For Statutory Audit	5	3
	For Cost Audit	1	1
	For Other Services	2	1
	Other Expenses	157	35
TOTAL		2,354	2,340

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Note: 1

(Rs. In Lakhs)

PROPERTY , PLANT AND EQUIPMENTS SCHEDULE AS ON 31.03.2024

PARTICULARS	COST				DEPRECIATION				WRITTEN-DOWN VALUE	
	AS ON 01.04.2023	ADDITIONS	WITHDRAW AL / TRANSFER	AS ON 31.03.2024	UPTO 01.04.2023	PROVIDED	WITHDRA WAL	UPTO 31.03.2024	AS ON 31.03.2023	AS ON 31.03.2024
LAND	4909	-	-	4909	-	-	-	-	4909	4909
BUILDINGS,ROADS & YARDS	11028	303	-	11331	3114	206	-	3319	7915	8012
PLANT & MACHINERY	35177	1814	-	36992	15586	929	-	16514	19591	20477
WELL & WATER WORKS	20	-	-	20	20	-	-	20	-	-
FURNITURE & FIXTURES	26	-	-	26	24	-	-	24	1	1
VEHICLES	704	13	-	717	462	49	-	511	242	206
OFFICE EQUIPMENTS	15	-	-	16	15	-	-	15	1	1
LIBRARY	-	-	-	0	-	-	-	-	-	-
CANTEEN EQUIPMENTS	1	-	-	1	1	-	-	1	-	-
COMPUTERS	59	1	-	60	56	1	-	57	3	4
WATER STORAGE TANK	426	-	-	426	223	9	-	231	203	195
INTANGIBLE ASSETS (SOFTWARE PACKAGE)	27	1	-	28	24	3	-	27	4	1
PROJECT IN PROGRESS										
GRAIN BASED DISTILERY ASSEST	2089	-	-	2089	-	-	-	-	2089	2089
TOTAL	54482	2132	-	56614	19524	1196	-	20720	34958	35894
Previous years	52984	9926	8428	54482	18392	1158	26	19524	34591	34958

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NOTE 27 : QUANTITATIVE DETAILS				
(Rs.in Lakhs)				
A	Particulars of Capacity	Unit	2023-24	2022-23
	i) Licenced Capacity			
	Co Gen		24.45 M W	24.45 M W
	Sugar		5500 TCD	5500 TCD
	Ethanol		65 KLPD	65 KLPD
	ii) Installed Capacity			
	Co Gen		24.45 M W	24.45 M W
	Sugar		4750 TCD	4750 TCD
	Ethanol		65 KLPD	65 KLPD
B	Actual Production			
	Co Gen	KWH	42190960	62217400
	Sugar	Qtls.	196360	306192
	Molasses	M.Ts.	17500	22580
	Ethanol	KL	15168658	19939345
	ENA	KL	2010000	-
C	Details of Turnover			
	Co Gen			
	Quantity	KWH	28184262	39168000
	Value	Rs.	1370	2306
	Sugar			
	Quantity	Qtls.	233737	377686
	Value	Rs.	9445	13010
	Molasses			
	Quantity	M.Ts.	-	-
	Value	Rs.	-	-
	Ethanol			
	Quantity	KL	13739449	19438000
	Value	Rs.	8526	11986
	ENA			
	Quantity	KL	2010000	-
	Value	Rs.	1367	-
D	Opening Stock			
	Sugar (Finished Goods)			
	Quantity	Qtls.	108065	179559
	Value	Rs.	3674	5789
	Molasses			
	Quantity	M.Ts.	19812	31395
	Value	Rs.	2576	4081
	Ethanol			
	Quantity	KL	501345	-
	Value	Rs.	304	-
E	Closing Stock			
	Sugar (Finished Goods)			
	Quantity	Qtls.	70688	108065
	Value	Rs.	2459	3674
	Molasses			
	Quantity	M.Ts.	10147	19812
	Value	Rs.	1370	2576
	Ethanol			
	Quantity	KL	1930554	501345
	Value	Rs.	1178	304
F	Processing Loss			
	Quantity	Qtls.	-	-
G	Consumption of Raw Materials			
	i) Sugar Cane			
	Quantity	M.Ts.	324482	482453
	Value	Rs.	2914	13610
	ii) B Heavy Molasses			
	Quantity	M.Ts.	27165	34163
	Value	Rs.	3532	4441
H	Value of Stores & Spares consumed			
	Co-Gen			
	a) Imported	Rs.	-	-
	b) Indigenous	Rs.	106	230
	Sugar			
	a) Imported	Rs.	-	-
	b) Indigenous	Rs.	2005	1031