

**30<sup>TH</sup>**  
**ANNUAL REPORT**

**2024-25**

**SHRI PRABHULINGESHWAR SUGARS AND  
CHEMICALS LIMITED**

**REGISTERED OFFICE**

Sy. No. 104, 100 & 96 Factory Site, Village Siddapur  
587 301, Taluk - Jamkhandi, Bagalkot, Karnataka, India  
E: prabhusugar.cs@gmail.com  
T: +91 9902043417 ISO 14001; 2015  
www.prabhusugars.com  
CIN: U85110KA1995PLC017861

**REGISTRAR & SHARE TRANSFER AGENT**

BgSE Financials Limited (BFSL)  
No.51, Stock Exchange Towers, 1st Cross, J.C. Road,  
Bangalore 560 027, Karnataka  
E | bfl@bfl.co.in  
enquiry@bfl.co.in

**BOARD OF DIRECTORS**

- |                                    |  |
|------------------------------------|--|
| ❖ Shri Jagadeesh S. Gudagunti      | - Chairman and Managing Director         |
| ❖ Shri Veerupakshayya J. Gudagunti | - Whole-time Director/Executive Director |
| ❖ Shri Dharmalingayya J. Gudagunti | - Director                               |
| ❖ Shri Deval A. Desai              | - Director                               |
| ❖ Shri Nagappa G. Sanadi           | - Director                               |
| ❖ Shri Sudheer S. Gudagunti        | - Director                               |
| ❖ Shri Rajendrakumar S. Gudagunti  | - Director                               |
| ❖ Shri Mallappa C. Koti            | - Independent Director                   |
| ❖ Shri Jagadeeshgoud Patil         | - Independent Director                   |
| ❖ Smt. Ishwari A. Gudagunti        | - Director                               |
| ❖ Shri. Santosh S. Gudagunti       | - Director                               |
| ❖ Late. Shri Satish S. Gudagunti   | - Director                               |

**KEY MANAGERIAL PERSONNEL**

- |                                    |                                  |
|------------------------------------|----------------------------------|
| ❖ Shri Jagadeesh S. Gudagunti      | - Chairman and Managing Director |
| ❖ Shri Veerupakshayya J. Gudagunti | - Whole-time Director & CFO      |
| ❖ Shri Raveendragouda Geedigoudra  | - Company Secretary              |

**PRINCIPAL BANKERS**

- |   |                                       |
|---|---------------------------------------|
| ○ Belgaum DCC Bank Ltd. Belagavi          | ○ State Bank of India, Vijayapur      |
| ○ Bank of India, Vijayapur                | ○ KSC Apex Bank, Bengaluru            |
| ○ Bagalkot DCC Bank Ltd. Bagalkot         | ○ State Bank of India (ADB) Jamkhandi |
| ○ Basaveshwar Bank, Bagalkot              | ○ HDFC Bank Bagalkot                  |
| ○ SPSP Sahakari Sangha Niyamit. Jamkhandi | ○ Indian Bank Jamkhandi               |

**AUDITORS**

- |                        |   |
|------------------------|---|
| ❖ Statutory Auditors   | - M/s. Mahendra H & Co., Chartered Accountants, Banahatti                 |
| ❖ Secretarial Auditors | - M/s. Gopalakrishnaraj H.H. & Associates, Company Secretaries, Bengaluru |
| ❖ Cost Auditors        | - Shri Sanjay K. Tikare, Cost Accountant, Belagavi                        |
| ❖ Internal Auditors    | - Smt. Prafulla G. Melinamani, Chartered Accountants, Jamkhandi           |

**BOARD COMMITTEES**

**AUDIT COMMITTEE**

Mallappa C. Koti	Chairman
Mahantesh G. Hiremath	Member
Nagappa G. Sanadi	Member
Jagadeeshgoud Patil	Member

**NOMINATION AND REMUNERATION COMMITTEE**

Mallappa C. Koti	Chairman
Mahantesh G. Hiremath	Member
Nagappa G. Sanadi	Member

**CORPORATE SOCIAL RESPONSIBILITY  
COMMITTEE**

Mallappa C. Koti	Chairman
Dharmalingayya J. Gudagunti	Member
Nagappa G. Sanadi	Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Deval Appasaheb Desai	Chairman
Rajendrakumar S. Gudagunti	Member
Sudheer Shivayya Gudagunti	Member

**MANAGEMENT TEAM**

Shri Nagaraj N	Sr. General Manager (Eng/Tech)
Shri D. N. Halle	Sr. General Manager (Cane)
Shri S. C. Hipparagi	General Manager (E&I)
Shri Sunil Holeppagol	General Manager (Prod)
Shri Vinod Kumar K	General Manager (F&A)
Shri M P Kulkarni	Chief Chemist (WTP)
Shri B. M. Balappagol	Dy. Chief Engineer (Civil)
Shri V. S. Saraganachari	Sr. Manager (Stores)
Shri H N Halemani	Sr. Manager (Gst & Godown)
Shri Veeresh Hiremath	Manager (F&A)
Shri G B Hebbalimath	Legal Officer

## **NOTICE**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Shri Prabhulingeshwar Sugars and Chemicals Limited will be held on Tuesday, September 30, 2025, at 03:00 P.M. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) facility, to transact the following business:

The deemed venue for the AGM shall be the Registered Office of the Company at Sy. No. 104, 100 & 96 Factory Site, Village Siddapur 587301, Taluk Jamkhandi, Bagalkot, Karnataka, India.

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## **ORDINARY BUSINESS:**

### **1. Adoption of Financial Statements:**

To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2025, and the reports of the Board of Directors and Auditors thereon.

### **2. Appointment of Shri Rajendrakumar S. Gudagunti (DIN | 00464952), who retires by rotation:**

To appoint Shri Rajendrakumar S. Gudagunti (DIN | 00464952), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

### **3. Appointment of Shri Deval Appasaheb Desai (DIN | 00801867), who retires by rotation:**

To appoint Shri Deval Appasaheb Desai (DIN | 00801867), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

## **SPECIAL BUSINESS:**

### **4. Appointment of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) as a Whole-time Director to be designated as Executive Director and fix his remuneration:**

To consider and, if thought fit, to pass the following Resolution(s) as an Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the Members of the Company be and is hereby accorded for the appointment of Shri Dharmalingayya J. Gudagunti (DIN: 00801770) as a Whole-time Director, designated as Executive Director, of the Company for a period of five (5) years with effect from 08<sup>th</sup> July, 2025, without any remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable, or expedient to give effect to this resolution, including filing of the necessary forms and returns with the Registrar of Companies, Karnataka, Bangalore.”

**5. Regularisation of Additional Independent Director Shri Jagadeeshgoud Patil (DIN: 10890781) by appointing him as an Independent Director of the Company.**

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

“**RESOLVED THAT**, pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 (“the Act”), and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the Articles of Association of the Company, and such other provisions as may be applicable, and on the recommendation of the Nomination and Remuneration Committee and based on the approval of the Board of Directors of the Company Shri Jagadeeshgoud Patil (DIN: 10890781), who was appointed as an Additional Director categorized as Non-Executive Independent Director of the Company w.e.f 04<sup>th</sup> January 2025 and who holds office till the conclusion of this 30<sup>th</sup> Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of 5 (Five) years i.e from January 04, 2025 to January 03, 2030;

**FURTHER RESOLVED THAT** in connection with the aforesaid, the Board of Directors (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

**6. Approval of Related Party Transactions to be entered during the Financial Year 2025 -2026.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to enter into Related Party Transactions with the following related parties, in which certain Directors of the Company are interested, for the values stated therein (excluding applicable taxes, cesses, and duties), in the manner described below, during the Financial Year 2025 - 2026.”

Name(s) of the Related	Nature of Relationship	Nature of Contracts	of /	Salient Terms of the Contracts –	Monetary value p.a.
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## Annual Report 2024-2025

Party		Arrangements / Transactions	Projected (plus applicable taxes)	
Siddapur Distilleries Limited	Common Directors	Sale of BH Molasses	1,50,000 MT @ Rs.13,620/- per MT	2,04,30,000
Siddapur Distilleries Limited	Common Directors	Sale of CH Molasses	35,000 MT @ Rs.10,000/- per MT	35,00,000
Siddapur Distilleries Limited	Common Directors	Sale of Syrup	60,000 MT @ Rs 15,510/- per MT	93,06,000
Siddapur Distilleries Limited	Common Directors	Sale of Press mud	1,05,000 MT @ Rs.275/- per MT	2,88,75,000
Siddapur Distilleries Limited	Common Directors	Sale of DM Water	1,50,000 KLR @ Rs.200/- per KL	3,00,000
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	1,75,000 MT @ Rs.2,250/- per MT + Applicable Taxes	39,37,50,000
Gudagunti Infra Tech Private Limited	Group Company	Purchase	NA	50,000

### 7. To consider, confirm, and ratify the remuneration of Cost Auditors.

To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution.

**“RESOLVED THAT**, pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of audit committee the remuneration of Rs.1,50,000/- excluding taxes as may be applicable, plus reimbursement of all out-of-pocket expenses, payable to Shri Sanjay K. Tikare, Cost Accountants appointed by the Board of Directors to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2026 be and is hereby ratified.

**FURTHER RESOLVED THAT** The Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable and appropriate to

give effect to this resolution and make appropriate filings with the Registrar of Companies, Karnataka, Bengaluru.”

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Place: Siddapur  
Date: 25.08.2025

**Sd/-**  
**Shri. Jagadeesh S. Gudagunti**  
Chairman & Managing Director  
DIN | 00464873

**NOTES:**

1. An Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. The Ministry of Corporate Affairs (“MCA”) vide its General Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as “MCA Circulars”) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue and in compliance with the above given circulars and guidelines issued by MCA, Company is conducting its 30<sup>th</sup> AGM through VC or OAVM and the Notice of the AGM along with the Annual Report for FY 2024-25 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ depository participant(s) for communication purpose.

The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at Sy. No. 104, 100 & 96, Factory Site, Village Siddapur, Taluk Jamkhandi, Siddapur 587 301, Bagalkot, Karnataka, India and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and circulars issued by MCA the Company is providing facility of e-voting to its members, in respect of business to be transacted at AGM. For this purpose, the Company has entered into agreement with the Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the Authorized e-Voting’s agency. The facility of casting vote by the members by using remote e-Voting as well as venue voting system on the date of the Annual General Meeting (“AGM”) will be provided by CDSL.

3. Pursuant to the provisions of the circulars on the VC / OAVM (e-AGM) members can attend the meeting through login credentials provided to them to connect to Video Conference (VC) / Other Audio-Visual Means (OAVM). Physical attendance of the Members at the Meeting venue is not required. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to [gopal@gkracs.in](mailto:gopal@gkracs.in) with a copy marked to [prabhusugar.csravi@gmail.com](mailto:prabhusugar.csravi@gmail.com).
5. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting, by following the procedure mentioned in the Notice.



6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Members are required to notify immediately, changes if any in their address, to Registered Office of the Company.
8. Members are requested to register their e-mail ID with Company to enable the Company to send all communications including notice of the meetings electronically.
9. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company's Registrar and Transfer Agent - BgSE Financials Limited, Stock Exchange Towers, No. 51, 1<sup>st</sup> Cross, J. C. Road, Bangalore- 560 027. Ph. No. 080 41329661. E-mail: [cs\\_rta@bfsi.co.in](mailto:cs_rta@bfsi.co.in) or [vp\\_rta@bfsi.co.in](mailto:vp_rta@bfsi.co.in). Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates, to the concerned Depository Participants.
10. As per Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, the shares of the company should be held in DEMAT form. The ISIN of the company is **INE0EQK01017**; members are requested to DEMAT the physical shares with DP of NSDL. Since, your company shares are admitted for demat facility in NSDL.
11. The Process of obtaining AGM notice and Annual Report 2024-25, for those members, whose email IDs are not registered is as detailed below:
  - I. The members who have not registered their email address and in consequence the e-voting notice could not be serviced, may get their email address registered with the Company by sending an email at [Secretary@prabhusugar.com](mailto:Secretary@prabhusugar.com) In case of any queries, members may write to BgSE Financials Limited, Stock Exchange Towers, No. 51, 1<sup>st</sup> Cross, J. C. Road, Bangalore 560027. Ph. No. 080 41329661, E- mail: [cs\\_rta@bfsi.co.in](mailto:cs_rta@bfsi.co.in) or [vp\\_rta@bfsi.co.in](mailto:vp_rta@bfsi.co.in).
  - II. It is clarified that for permanent registration of email address, members are requested to register their email addresses, in respect of electronic holdings, with their concerned Depository Participants and in respect of physical holdings, with the Company / Registrar and Share Transfer Agent, BgSE Financials Limited.
  - III. Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants/ the Company and company's Registrar and Share Transfer Agent, BgSE Financials Limited, to enable servicing of notices/documents/ Annual Reports, electronically.
12. The Board has appointed Shri Gopalkrishnaraj H. H., Practicing Company Secretary, (Membership No. FCS - 5654, Certificate of Practice No. 4152) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
13. In terms of Section 108 and all other applicable provisions, if any, of the Companies Act, 2013

read together with the Companies (Management and Administration) Rules, 2014, as amended from time to time, the company is pleased to offer remote e-voting facility to all the members of the company in respect of the business to be transacted at the AGM. The company has engaged services of Central Depository Services (India) Limited ("CDSL"), as its agency for providing or facilitating e-voting.

14. E-voting cut-off date: The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 09:00 A.M. (IST) on 27.09.2025 and will end at 05:00 P.M. (IST) on 29.09.2025. The remote e-voting module shall be disabled by CDSL for voting thereafter.
15. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on 23.09.2025, are entitled to vote on the Resolution(s), set forth in this notice.
16. Members joining the meeting through VC/OAVM, who have not casted their votes by remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their votes again.

**THE MEMBERS DESIRING TO VOTE THROUGH ELECTRONIC MODE/REMOTE E-VOTING MAY REFER TO THE DETAILED PROCEDURE ON E-VOTING GIVEN HEREIN UNDER:**

**PROCEDURE FOR E-VOTING: -**

1. As you are aware, The Ministry of Corporate Affairs ("MCA") has vide its General circular No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued on September 25, 2023 and the latest being September 19, 2024 permitted the holding of the AGM through VC or OAVM facility and in this view the forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only.
2. Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e- voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.prabhusugars.com>. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on at 09:00 A.M. (IST) on 27.09.2025 and will end at 05:00 P.M. (IST) on 29.09.2025. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.09.2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) **LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM**
  - 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - i. For CDSL: 16 digits beneficiary ID,
    - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below (**For physical shareholders and other than individual shareholders holding shares in demat**)
    - Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable

for both demat shareholders as well as physical shareholders)

- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
  - Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
  - If both the details are not recorded with the depository or company, please enter the member id / folio number in the Bank details field.
  - After entering these details appropriately, click on “SUBMIT” tab.
  - Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretary@prabhusugar.com](mailto:secretary@prabhusugar.com) designated email address by company, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting is <https://centraldepository.webex.com/centraldepository/j.php?MTID=mca3143be7f916e820abbf4f6b1b9d084> and also will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [secretary@prabhusugar.com](mailto:secretary@prabhusugar.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - please provide necessary details like 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 [secretary@prabhusugar.com](mailto:secretary@prabhusugar.com) / [cs\\_rta@bfsi.co.in](mailto:cs_rta@bfsi.co.in) / [Vo-rta@bfsi.co.in](mailto:Vo-rta@bfsi.co.in)
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e- Voting & joining virtual meetings through Depository. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
4. Any person, who acquires shares of the Company and becomes the member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 23.09.2025, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting. A person who is not a member as on the cut-off date should take this notice for information purposes only.
4. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company <http://www.prabhusugars.com> and on the website of CDSL immediately after the declaration of result by the Chairman/ any of the directors of the company or a person authorized in writing.  
The Register of Members and Share Transfer & Transmission Registers of the Company will remain closed from 20.09.2025 to 22.09.2025.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE**

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No. 4 to 7.

**Item No. 4**

**Appointment of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) as a Whole-time Director to be designated as Executive Director and fix his remuneration:**

Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) was inducted into the Board of the Company as a Director on 12th February, 2015. Upon the recommendation of the Nomination and Remuneration Committee at its meeting held on 08th July, 2025, and subject to the approval of the Members at the ensuing Annual General Meeting, he was appointed as the Whole-time Director of the Company for a period of five (5) years with effect from 08th July, 2025, without any remuneration. Accordingly, his tenure as Whole-time Director was valid up to 07th July, 2030. Keeping in view his rich and varied experience in the sugar and ethanol industries, and his active involvement in the operations of the Company over a long period of time, it is proposed to designate him as Whole-time Director (Executive Director) of the Company.

Shri. Dharmalingayya J. Gudagunti has completed his Bachelor of Engineering (Mechanical Branch) from Basaveshwar Engineering College, Bagalkot University (2005) and his PUC (Science) from JSS R.S. Hukkerikar Science, Arts and Commerce PU College, Dharwad University. He has also been serving the Company's sister concern, Siddapur Distilleries Limited, in the capacity of Executive Director for several years, making significant contributions to its growth. Shri. Dharmalingayya J. Gudagunti is the elder son of Shri. Jagadeesh S. Gudagunti, Chairman and Managing Director of the Company. He holds 13,07,000 Equity Shares, constituting 2.80% of the total equity share capital of the Company.

The Board of Directors recommends the resolution in relation to the appointment of Shri. Dharmalingayya J. Gudagunti as Whole-time Director, designated as Executive Director, for the approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except Shri. Dharmalingayya J. Gudagunti himself and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Your Board recommends the resolution for your approval as an Ordinary Resolution

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

## **I. General Information**

- (1) Nature of industry: The Company is engaged in the business of manufacturing sugar, co-generation of power, and production of by-products such as molasses, ethanol, and other allied products.
- (2) Date or expected date of commercial production: The company was incorporated in the year 1995 and commercial production commenced in 1999.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators: (Rs. In Lakhs)

<b>PARTICULARS</b>	<b>Fy 2024-25</b>	<b>Fy 2023-24</b>
Total Revenue	83,170.14	76,410.09
Net Profit / Loss Before Tax (PBT)	2,028.38	1,794.90
Net Profit (PAT)	1,633.78	1,573.02

- (5) Foreign investments or collaborations, if any: Nil

## **(II) Information about the appointee**

- (1) Background details: Shri. Dharmalingayya J. Gudagunti has completed his Bachelor of Engineering (Mechanical Branch) from Basaveshwar Engineering College, Bagalkot University (2005) and his PUC (Science) from JSS R.S. Hukkerikar Science, Arts and Commerce PU College, Dharwad University.
- (2) Past remuneration: Not Applicable.
- (3) Recognition or awards: Shri. Dharmalingayya J. Gudagunti, played a vital role as the Director, during his tenure, the company has bagged many prestigious awards like:
- (a) "State level safety awards for "Best fuel-efficient boiler" by Karnataka State Safety institute Govt. of Karnataka
  - (b) "Best Performing Sugar Factory" in South India – given by SISSTA at Hyderabad
  - (c) "Got Platinum Award for Best Sugarcane Development (2022-23) from The South Indian Sugarcane & Sugar Technologies Association, Hyderabad
- (4) Job profile and his suitability: Shri. Dharmalingayya J. Gudagunti is presently associated with Siddapur Distilleries Limited, a sister concern of the Company, in the capacity of Executive Director, where he has been actively involved in the ethanol blending operations and has contributed significantly through the introduction of innovative processes and operational techniques.
- He has also been associated with Shri Prabhulingeshwar Sugars and Chemicals Limited in the capacity of Director since 2015, during which time he has played an important role in the overall management and operational growth of the Company. Considering his rich and varied experience in the sugar and ethanol industries, his proven leadership skills, and his continuous



involvement in the operations of the Company, the Board is of the opinion that his appointment as Whole-time Director (Executive Director) would be in the best interests of the Company. Accordingly, the resolution for his appointment is commended for approval of the Members.

- (5) Remuneration proposed: The board has not recommended any remuneration.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin): Not Applicable
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. - Besides the proposed remuneration, Shri. Dharmalingayya J. Gudagunti is elder son of Shri. Jagadeesh S. Gudagunti who is Chairman and Managing Director of the Company. As on 31.03.2025. Shri. Dharmalingayya J. Gudagunti holds 13,07,000 (Thirteen Lakh Seven Thousand) Equity Shares Rs. 10 each constituting 2.80% of total Equity Share Capital of the Company.

#### **Item No. 5**

#### **Regularisation of Additional Independent Director Shri Jagadeeshgoud Patil (DIN: 10890781) by appointing him as an Independent Director of the Company.**

Shri Jagadeeshgoud Patil (DIN: 10890781) was appointed as an Additional Independent Director of the Company at the Board Meeting held on 04th January, 2025, pursuant to the provisions of Sections 149, 150, 152 and 161(1) of the Companies Act, 2013. In terms of the said provisions, he holds office up to the date of the ensuing Annual General Meeting.

The Company has received from Shri Jagadeeshgoud Patil his consent to act as a Director along with the requisite declarations under Section 149(6) of the Companies Act, 2013, confirming that he meets the criteria of independence as prescribed under the Act. The Board, after due consideration, is of the opinion that the appointment of Shri Jagadeeshgoud Patil as a Non-Executive Independent Director will bring valuable expertise and will be in the best interest of the Company. Accordingly, the Board recommends the resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Your Board recommends the resolution for your approval as an Ordinary Resolution.

#### **Brief Profile of Shri Jagadeeshgoud Patil:**

Shri Jagadeeshgoud Patil, aged 56 years, is a dynamic professional with over two decades of experience in the construction and earthmoving equipment industry. He has wide expertise in dealership operations, customer relationship management, and technical services. He has successfully spearheaded dealership operations as an authorized dealer for Manitou South

Asia Pvt. Ltd. and Fine Equipment India Pvt. Ltd., catering to the construction and earthmoving equipment sectors. In this capacity, he has played a pivotal role in establishing and maintaining strong relationships with clients, manufacturers, and stakeholders, thereby driving sales growth and ensuring exceptional customer service.

With proven leadership in business development, network expansion, and operational efficiency, Shri Patil has contributed significantly to sustained growth and market leadership in the North Karnataka region. He also possesses hands-on experience in lending operations for construction, earthmoving, and agricultural equipment, providing seamless financing solutions customized to customer requirements. His expertise extends to financial analysis, risk assessment, and loan approval processes, which have driven profitability and growth in the equipment financing division. His professional journey reflects a blend of entrepreneurial acumen, customer-centric approach, and strategic execution, making him a valuable addition to the Board.

Keeping in view of his vast expertise and knowledge in banking sector and financial analysis, it is proposed by the Management of the Company that Shri Jagadeeshgoud Patil be appointed as an Independent Director of the Company under Non-Executive Category.

He does not hold any equity shares in the Company and is not debarred from holding the office of Independent Director by virtue of any Order passed by the Authorities.

None of the Directors, Key Managerial Personnel of the Company and their relatives, except Shri Jagadeeshgoud Patil himself, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Your Board recommends the resolution for your approval as an Ordinary Resolution.

**Item 6:**

**Approval of Related Party Transactions to be entered during the Financial Year 2025-2026.**

The Members of the Company at the 29th Annual General Meeting had accorded their approval for entering into Related Party Transactions with Siddapur Distilleries Limited and other group entities in which Directors and Members are concerned, up to the limits specified therein.

In order to ensure sustained availability of quality raw materials, to achieve quantitative and commercial benefits in the sale of certain products, to facilitate ease of customer reach, and in the overall best interests of the Company and its shareholders, the Company now proposes to revise the transaction limits. Accordingly, approval of the Members is sought for entering into material Related Party Transactions with Siddapur Distilleries Limited, other group companies, and all concerned Directors, Members, and related parties of the Company, from time to time, in supersession of the limits approved at the 29th AGM.

Though the proposed material transactions with the aforesaid related parties, as detailed in Item No. 6 of this Notice, are in the ordinary course of business of the Company, approval of

the Members is being sought in accordance with the applicable provisions of the Companies Act, 2013 and the relevant rules made thereunder.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Your Board recommends the resolution for your approval as an Ordinary Resolution.

**Item 7:**

**To consider, confirm, and ratify the remuneration of Cost Auditors.**

The Board of Directors of the Company, at its meeting held on August 25, 2025, approved the appointment and remuneration of M/s. Sanjay K. Tikare, Cost Accountant (Firm Registration No. 000118), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026.

In terms of the provisions of Section 148 of the Companies Act, 2013, read with the applicable rules made thereunder, the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing the resolution as set out in Item No. 7 of the Notice, ratifying the remuneration payable to the Cost Auditors for the said financial year.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the resolution set out in Item No. 7 of the Notice for approval of the Members as an Ordinary Resolution.

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Place: Siddapur  
Date: 25.08.2025

**Sd/-**  
**Shri. Jagadeesh S. Gudagunti**  
Chairman & Managing Director  
DIN | 00464873



## Annual Report 2024-2025

### Annexure to the Notice

#### Details of Directors seeking Appointment/Re-appointment

*[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]*

Sl. No.	Particulars	Name of the Director		
		Shri. Rajendrakumar S. Gudagunti	Shri. Deval A. Desai	Shri. Jagadeeshgoud Patil
1.	DIN	00464952	00801867	10890781
2.	Date of birth and Age	01/06/1959 Age: 66	01/06/1949 Age: 76	18/07/1969 Age: 56
3.	Qualification		SSLC	BSc
4.	Experience and expertise in specific functional areas	Required experience in agriculture, business and Sugar Industry. Gained great Exposure in harvesting Sugar Cane and other agriculture products.	Required experience in agriculture, business and Sugar Industry. Gained great Exposure in harvesting Sugar Cane and other agriculture products.	Required experience in the field of marketing, finance, and has significant knowledge in Engineering machines wrt construction and earthmoving equipment sectors.
5.	Brief Profile	Shri. Rajendrakumar S. Gudagunti is a proud farmer as well as Businessman cum Director, who runs factory and own businesses along with immense guidance in the field of agriculture, Sugar Factory and other plants.	Shri. Deval A. Desai is a proud farmer as well as Businessman cum Director of our Company, who runs factory and assist in cane procurement along with immense guidance in the field of agriculture, Sugar Factory and other plants.	Dynamic professional with over 20 years of experience in the construction and earthmoving equipment industry, specializing in dealership operations, customer relationship management, and technical expertise along with financial analyst.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Younger Brother of Shri. Jagadeesh S. Gudagunti (Chairman and Managing Director) and uncle of Shri. Dharmalingayya J Gudagunti and Shri. Veerupakshayya J Gudagunti.	Co-Director since inception of the Factory with Shri. Jagadeesh S. Gudagunti (Chairman and Managing Director)	NA.
7.	Nature of appointment (appointment/ re-	Appointment.	Appointment	Regularizing as Independent Director

## Annual Report 2024-2025

### Details of Directors seeking Appointment/Re-appointment

*[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]*

Sl. No.	Particulars	Name of the Director		
		Shri. Rajendrakumar S. Gudagunti	Shri. Deval A. Desai	Shri. Jagadeeshgoud Patil
	appointment)			
8.	Terms and Conditions of appointment / re-appointment	Appointment as Non-Executive Director and subject to retirement by rotation	Appointment as Non-Executive Director and subject to retirement by rotation	Appointment as Non-Executive Independent Director and not required to retire by rotation
9.	Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	As mentioned in the explanatory statement above	As mentioned in the explanatory statement above	The sitting fee will be in line with other Independent Directors.
10.	Date of first appointment on the Board	25/05/1995	21/05/1997	04/01/2025
11.	Shareholding in the company including shareholding as a beneficial owner;	Holding 10,36,334 No of Equity Shares constituting 2.22% of total Capital	Holding 9,000 No of Equity Shares constituting 0.02% of total Capital	Nil
12.	The number of Meetings of the Board attended during FY 2024-25	6 out of 6	6 out of 6	1 out of 6
13.	Remuneration last drawn by such person, if applicable and remuneration sought to	NA	NA	NA

## Annual Report 2024-2025

### Details of Directors seeking Appointment/Re-appointment

*[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]*

Sl. No.	Particulars	Name of the Director		
		Shri. Rajendrakumar S. Gudagunti	Shri. Deval A. Desai	Shri. Jagadeeshgoud Patil
	be paid			
14.	Directorship Details of the Board	Not interested in any other Companies	Not interested in any other Companies	Not interested in any other Companies
15.	Membership / Chairmanship of Committees of other Boards	Member of Stakeholders Relationship Committee	Chairman of Stakeholders Relationship Committee	Member of Audit and Nomination and Remuneration Committee
16.	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board.	NA	NA	NA
17.	Names of listed entities from which the person has resigned in the past three years	NA	NA	NA

## **DIRECTORS' REPORT**

Dear Member(s),

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2025:

### **1. Financial Highlights**

#### **Operating Results:**

(Rs. In Lakhs)

Sl. No	Particulars	2024-25	2023-24
1	Revenue from Operations	83,170.15	76,410.09
2	Other Income	440.75	242.65
3	<b>Total Income</b>	83,610.90	76,652.74
3	Operating Profit	12,742.26	10,431.45
4	Interest & Processing Charges	8,914.70	6,915.51
5	Depreciation	1,799.36	1,721.04
6	Net Profit After Tax	1348.54	1,573.02
7	Balance of Profit brought forward from the previous year.	3,566.80	1,993.78
8	Balance carried to Balance Sheet	4915.34	3,566.80
9	Earnings Per Share (Rs.)	2.89	3.37
10	Share Capital	4,661.86	4,661.86
11	Net Worth	9577.20	8228.66

### **PRODUCTION PERFORMANCE FOR THE YEAR 2024-25 & 2023-24**

#### **A) SUGAR DIVISION: (Season-wise)**

SI No.	Particulars	2024-25	2023-24
1	Sugarcane Crushed (MT's)	17,61,150.88	20,36,124.557
2	Sugar Produced (Qtls)	14,94,100.00	18,87,450
3	Recovery (%)	10.74%	10.63%
4	Export of Sugar (Qtls)	54,700.00	0.00

#### **B) SUGAR DIVISION: (Financial year wise)**

SI No.	Particulars	2024-25	2023-24
1	Sugarcane Crushed (MT's)	17,78,715.54	20,41,762.868
2	Sugar Produced (Qtls)	15,13,150.00	18,97,800
3	Sugar Bagging Recovery (%)	8.50%	9.29%
4	Export of Sugar (Qtls)	54,700.00	0.00



**C) CO-GEN POWER DIVISION: (Financial Year wise)**

SI No.	PARTICULARS	2024-25	2023-24
1	Power Exported (Units)	50950550	5,11,26,250
2	Power Average rate (PU)	Rs. 4.45	Rs.4.85
3	<b>Total Value (Rs)</b>	22,65,17,357	24,81,43,676

**2. Industrial Scenario:**

For the 2024-25 season, India's sugar production significantly decreased to approximately 25.49 million tonnes due to reduced output in major producing states like Maharashtra, Uttar Pradesh, and Karnataka. Karnataka's production also fell to an estimated 4.1 million tonnes, down from 5.3 million tonnes in the previous season, attributed to factors like adverse weather conditions and water shortages. A substantial amount of sugar, about 3.5 million tonnes, was diverted for ethanol production, further contributing to the overall decline in sugar output for the season.

**Karnataka's Sugar Industry (2024-25)**

**Production:**

Karnataka's sugar output for 2024-25 was an estimated 4.1 million tonnes, marking a decrease from 5.3 million tonnes in the previous season.

**Factors:**

Reduced sugarcane availability due to adverse weather conditions and water shortages contributed to the lower yield and production in the state.

**Operational Mills:**

By February 2025, 45 out of 79 mills engaged in the ongoing season were operational, crushing around 43.76 million tonnes of sugarcane to produce 3.72 million tonnes of sugar.

**Outlook**

Despite the current year's shortfall, the Indian Sugar Bio-Energy and Manufacturers Association (ISMA) remains optimistic for the upcoming 2025-26 season, anticipating favorable weather conditions and improved planting in Maharashtra and Karnataka. Early maturing varieties were planted in January 2024, and improved rainfall in the 2024 southwest monsoon is expected to lead to a positive start for the 2025-26 season.

**Export Support for 2024-25**

The government approved the export of 1 million tonnes of sugar for the 2024-25 season.

**Lifting the Ban:** This decision lifted the export ban that was in place during the 2023-24 season.

**Purpose:**

The primary goal was to ensure price stability in the domestic market, support the five crore farmer families and five lakh workers in the sugar sector, and help millers export their surplus stocks.

**Mechanism:**

The Ministry of Food and Public Distribution issued an order with detailed modalities for the export, including a mill-wise allocation of the export quota.

**Other Support Measures**

**Reallocation of Quotas:**

Notifications were issued for the reallocation of the export quota, allowing sugar mills to exchange their export quantity with their domestic monthly release quota.

**Your Company – A Proactive Player!!!**

During the crushing season 2024-25, Shri Prabhulingeshwar Sugars and Chemicals Limited continued to exhibit resilience and foresight, successfully navigating sectoral challenges while capitalizing on emerging opportunities. The Company made significant investments in modernizing operational infrastructure, which further enhanced its crushing capacity and delivered tangible benefits in terms of improved operating profitability through economies of scale. This strategic initiative not only escalated crushing efficiency but also optimized cost structures, thereby reinforcing the Company's overall competitiveness and positioning it strongly for sustainable growth.

On the agricultural front, the Company has taken giant steps in sugarcane development programmes within its command area. These initiatives have supported farmers with improved cane varieties, training, and field practices, thereby boosting recovery rates and ensuring a sustainable cane supply.

**3. State of the Company's Affairs**

During the financial year 2024-2025, your Company recorded a turnover of Rs. 83,170.15 Lakhs and earned a net profit of Rs. 1,348.54 Lakhs.

**4. Transfer of amount to Reserves**

The Board of Directors do not propose to transfer any amount to the General Reserve for the Financial Year ended March 31, 2025.

**5. Dividend**

The Board of Directors has not recommended any dividend for the financial year 2024-25.

**6. Holding, Subsidiary, Associate Companies and Joint-Ventures**

During the reporting period Company does not have any Subsidiaries, Associate Companies and Joint-Ventures.

## **7. Bonus Issue**

During the year under review, the Company has not issued any Bonus Shares.

## **8. Share Capital**

During the reporting period, the Authorised Share Capital of the Company was reclassified by cancelling the existing unissued 1,00,00,000 (One Crore) Preference Shares of ₹10/- (Rupees Ten) each and reclassifying the same into 1,00,00,000 (One Crore) Equity Shares of ₹10/- (Rupees Ten) each, pursuant to the approval of the Members at the Annual General Meeting held on 30th September, 2024.

Company has further increased the authorised share capital of the Company from INR 60,00,00,000 (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crore) Equity Shares of INR 10/- (Rupees Ten only) each to INR 110,00,00,000 (One Hundred and Ten Crores only) divided into 11,00,000 (Eleven Crore) Equity Shares of INR 10/- (Rupees Ten only) each.

As on March 31, 2025, the Authorized Share Capital of the Company is INR 110,00,00,000 (One Hundred and Ten Crores only) divided into 11,00,000 (Eleven Crore) Equity Shares of INR 10/- (Rupees Ten only) each and paid-up share capital of the Company stood at Rs. 46,61,85,950/- divided into 4,66,18,595 Equity Shares of Rs. 10/- each.

## **9. Directors**

During the year under review, Shri Mahantesh G. Hiremath (DIN: 07610396) resigned from the office of Independent Director with effect from 28th October 2024. The Board placed on record its sincere appreciation for the valuable guidance and contributions made by him during his tenure. In his place, Shri Jagadeeshgoud Patil was appointed as an Independent Director of the Company to fill the casual vacancy.

Except for the above, there has been no change in the composition of the Board of Directors during the financial year ended 31st March 2025.

## **10. Key Managerial Personnel**

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Shri. Jagadeesh S. Gudagunti	- Managing Director
Shri. Veerupakshayya J. Gudagunti	- Whole -Time Director & Chief Financial Officer
Shri. Raveendragouda Geedigoudra	- Company Secretary

## 11. Number of Meetings of the Board of Directors

During the financial year ended March 31, 2025, Six (6) Board meetings were held on the following dates: June 22, 2024, August 28, 2024, September 30, 2024, November 26, 2024, January 04, 2025, and March 05, 2025.

The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

The attendance of the Directors at the Board meetings held during the Year were as follows:

Name of the Director	Number of Board Meetings	
	Held	Attended
Shri. Jagadeesh S. Gudagunti	6	6
Shri. Veerupakshayya J. Gudagunti	6	6
Shri. Dharmalingayya J. Gudagunti	6	6
Shri. Rajendrakumar S. Gudagunti	6	6
Shri. Sudheer S. Gudagunti	6	6
Shri. Nagappa G. Sanadi	6	6
Shri. Deval A. Desai	6	6
Shri. Mallappa C. Koti	6	6
Shri. Jagadeeshgoud Patil	1	1
Smt. Ishwari A. Gudagunti	6	6
Shri. Santosh S Gudagunti	4	4
Shri. Mahantesh G. Hiremath	3	3

**Note:** \* Shri Mahantesh G. Hiremath (DIN: 07610396) resigned as Independent Director with effect from October 28, 2024. Subsequently, Shri Jagadeeshgoud Patil was appointed as an Independent Director of the Company with effect from January 01, 2025.

## 12. Particulars of Loans, Guarantees, Securities or Investments under Section 186

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended March 31, 2025, is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. The same has been annexed as **Annexure – 1**.

## 13. Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All the related party transactions are approved by the Audit Committee and Board of Directors.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended March 31, 2025, in prescribed **Form AOC-2** is annexed to this Board's Report as **Annexure - 2**.

#### 14. Annual Return

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is <https://www.prabhusugars.com/AGM/MGT-7+ANNUAL+RETURNS>

#### 15. The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed to this Board's Report as **Annexure - 3**.

#### 16. Audit Committee

During the financial year ended March 31, 2025, Three (3) Audit Committee meetings were held on the following dates: June 22, 2024, August 24, 2024, and March 03, 2025.

During the year, there has been no such incident where the Board has not accepted the recommendation of the Audit Committee during the year.

##### Composition, Name's of members & Chairperson and Attendance at Meetings

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Shri. Mallappa Chinnappa Koti	Chairperson	3	3
Shri. Mahantesh G. Hiremath	Member	2	2
Shri. Nagappa G. Sanadi	Member	3	3
Shri. Jagadeeshgoud Patil	Member	1	1

**Note:** \* *Shri Mahantesh G. Hiremath (DIN: 07610396) resigned as Independent Director with effect from October 28, 2024. Subsequently, Shri Jagadeeshgoud Patil was appointed as an Independent Director of the Company with effect from January 01, 2025.*

#### 17. Nomination and Remuneration Committee

##### ❖ Brief description of the terms of reference:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agency, if required.
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the commitments of the candidates.
- formulation of criteria for evaluation of performance of Independent Directors and the board of directors.
- devising a policy on diversity of board of directors.
- identifying 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 of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

**Composition, name of members & Chairperson, meetings held during the year and attendance at meetings.**

During the financial year ended March 31, 2025, Two (2) Nomination and Remuneration Committee meetings was held on the following date: June 22, 2024 and August 24, 2024.

**Composition, Names of members & Chairperson and Attendance at Meetings**

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Shri. Mallappa Chinnappa Koti	Chairman	2	2
Shri. Mahantesh G. Hiremath	Member	2	2
Shri. Nagappa G. Sanadi	Member	2	2

**18. Corporate Social Responsibility (CSR)**

Shri Prabhulingeshwar Sugars and Chemicals Limited is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole.

## Annual Report 2024-2025

We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence visà-vis the company's responsibilities towards the community.

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors had framed the policy on Corporate Social Responsibility and the Projects and Programmes undertaken by the Company during the year have been provided in **Annexure - 4** and forms part of this Report.

During F.Y.2024-25 the Company was required to spend an amount of Rs. 25,89,786/- for implementation of various CSR activities in terms of Section 135 of the Companies Act, 2013. In this regard the Company has spent an amount of Rs. 25,99,498 /- on CSR activities which is in excess of the minimum amount required to be spent by the Company.

During the financial year ended March 31, 2025, One (01) Corporate Social Responsibility Committee meetings were held on August 24, 2024.

### Composition, Names of members & Chairperson and Attendance at Meetings

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Shri. Mallappa Chinnappa Koti	Chairperson	1	1
Shri. Dharmalingayya J. Gudagunti	Member	1	1
Shri. Nagappa G. Sanadi, Director	Member	1	1

### 19. Stakeholders Relationship Committee

During the year, One Meeting of the Stakeholders Relationship Committee was held on March 05, 2025.

### Composition, Name's of members & Chairperson and Attendance at Meeting

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Shri. Deval Appasaheb Desai	Chairman	1	1
Shri. Rajendrakumar S. Gudagunti	Member	1	1
Shri. Sudheer Shivayya Gudagunti	Member	1	1

### Terms of Reference

- (i) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, non-receipt of new/duplicate certificates, etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

## **20. Mechanism for Evaluation of the Board**

Pursuant to the provisions of the Companies Act, 2013 and the Board has carried out an annual evaluation of its own performance and that of its committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Directors were given Five Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairman & Managing Director and Executive Directors; and

The Directors were requested to give following ratings for each criterion:

- 1. Could do more to meet expectations.
- 2. Meets expectations; and
- 3. Exceeds expectations.

The Chairperson, based on the Evaluation done by the Directors, informed that the performance of the Directors is satisfactory, and they are recommended for continuation as Directors of the Company.

## **21. Directors' Responsibility Statement as required under Section 134 of the Companies Act, 2013**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) 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 March 31, 2025, and of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.



- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2025, on a going concern basis.
- v) 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
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **22. Statement on Declaration given by Independent Directors under Section 149**

The Independent Directors have submitted a declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

## **23. Meeting of Independent Directors**

A separate meeting of the Independent Directors was held under the Chairmanship of a. Shri. Mallappa Chinnappa Koti, Independent Director on March 05, 2025, inter-alia, to discuss evaluation of the performance of the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

## **24. Registration of Independent Directors in Independent Directors Databank**

All the Independent Directors of your Company have been registered and are members of Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA).

## **25. Online Proficiency Self-Assessment Test**

Shri Mallappa Chinnappa Koti, Independent Director of the Company, has already cleared the Online Proficiency Self-Assessment Test conducted by the Indian Institute of Corporate Affairs (IICA). Further, Shri Jagadeeshgoud Patil, who was appointed as an Independent Director on January 04, 2025, will clear the said test within the prescribed time as per the provisions of the Companies Act, 2013 and applicable rules.

## **26. Confirmation and Opinion of the Board on Independent Directors**

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their

duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013.

## **27. Code of Conduct**

The Board of Directors has adopted and oversee the administration of the Shri Prabhulingeshwar Sugars and Chemicals Limited Code of Business Conduct and Ethics (the 'Code of Conduct'), which applies to all Directors, Officers and Employees of Company. The Code of Conduct reflects the Company's commitment to do business with integrity and in full compliance with the law and provides a general roadmap for all the Directors, Officers and Employees to follow as they perform their day-to-day responsibilities with the highest ethical standards. The Code of Conduct also ensures that all members of Shri Prabhulingeshwar Sugars and Chemicals Limited perform their duties in compliance with applicable laws and in a manner that is respectful of each other and the Company's relationships with its customers, suppliers and shareholders, as well as the communities and regulatory bodies where the Company does business.

## **28. Deposits**

The Company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## **29. Statutory Auditors**

M/s. Mahendra H. & Co., Chartered Accountants (FRN | 021745S), Banahatti, were appointed as the Statutory Auditors of the Company for a period of 5 years at the 27<sup>th</sup> Annual General Meeting of the Company held on September 26, 2022, to hold office till the conclusion of the 32<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.

Accordingly, M/s. Mahendra H & Co., Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2026. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## **30. Auditors' Report**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Mahendra H. & Co., Chartered Accountants (FRN | 021745S), Statutory Auditors in their report for the Financial Year ended March 31, 2025.

### **31. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. Gopalakrishnaraj H. H & Associates, Practicing Company Secretaries, Bengaluru (M No. 5654; C P No. 4152) as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2025.

The Secretarial Audit Report issued by M/s. Gopalakrishnaraj H. H & Associates, Practicing Company Secretaries in Form MR-3 is annexed to this Board's Report as **Annexure - 5**. The said Secretarial Audit Report does not contain any observation or qualification or reservation or adverse remark or disclaimers.

### **32. Internal Auditors**

The Board of Directors of the Company has appointed Smt. Prafulla G. Melinamani, Chartered Accountants (FRN No. 013073S) as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended March 31, 2025.

### **33. Cost Audit and Maintenance of Cost Records specified by the Central Government under Section 148 of the Companies Act, 2013**

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors pursuant to the recommendation of the Audit Committee, had appointed M/s. Sanjay K. Tikare, Cost Accountants (FRN No. 101039), Belagavi, as Cost Auditors of the Company, to carry out the audit of the cost records of the products manufactured by the Company during the financial year ending March 31, 2025 at a remuneration of Rs.1,50,000/-.

The remuneration payable to the cost auditor is required to be placed before the Members in the general meeting for their ratification. Accordingly, a resolution seeking Members ratification for the remuneration payable to M/s. Sanjay K. Tikare, Cost Accountants, is included in the Notice convening the Annual General Meeting. The Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

A Certificate from M/s. Sanjay K. Tikare, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

The Company will file the cost audit report for the Financial Year ended March 31, 2025, with the Central Government before the due date.

### **34. Board's response on Auditor's qualification, Reservation or adverse Remark or disclaimer made.**

The Statutory Auditors in their report and the Practicing Company Secretary in the Secretarial Audit Report for the financial year under review have not made any qualifications, reservations, adverse remarks, or disclaimers, except with respect to the appointment of Company Secretary.

The Board is pleased to report that the said observation has been complied with by appointing Mr. Raveendragouda Geedigoudra as the Company Secretary of the Company with effect from 22<sup>nd</sup> June 2024.

### **35. Reporting Frauds by Auditors**

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### **36. Vigil Mechanism (Whistle Blower Policy)**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct and Ethics. It also provides adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism and Whistle Blower Policy is annexed as per **Annexure - 6**

### **37. Insurance**

All properties and insurable interests of the Company have been fully insured.

### **38. Adequacy of Internal Financial Controls with reference to the Financial Statements**

The Corporate Governance Policies guide the conduct of affairs of the Company and clearly delineate the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of the Company (the Code of Conduct) commits Management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct are widely communicated across the Company at all times.

The financial statements of the Company have been prepared in accordance with Schedule III and Accounting Standards as amended from time to time notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company maintains all its records in the ERP (Atharva and TCS) System and the workflow and approvals are routed through ERP.

The Board of Directors of the Company have adopted various policies such as Related Party Transactions Policy, Whistle Blower Policy, Corporate Social Responsibility Policy, Dissemination of material events Policy, Documents preservation policy, Monitoring and Reporting of Trading by Insiders, Code of Internal Procedures and conduct for Regulating, monitoring and reporting of trading by Insiders, Code of Practices and Procedures for Fair Disclosures and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company recognizes Internal Financial Controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the Internal Financial Controls to future periods are subject to the risk that the Internal Financial Control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

**39. Names of Companies, which have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies during the year**

During the Financial Year, no Company has become or ceased to be Company's Subsidiary, Joint Venture or Associate Company.

**40. Change in the nature of business**

There has been no change in the nature of business of the Company.

**41. The details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future**

During this reporting period there have been 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.

**42. Proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)**

During the Financial year, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**43. Material changes and commitments**

There are no material changes and commitments affecting the financial position of the Company which occurred between the Financial Year ended March 31, 2025, to which the Financial Statements relates and the date of signing of this report.

**44. Environment, Health and Safety**

The Company has certified with the following Environmental Management Systems (EMS) and Occupational Health and Safety (OH&S) Management System:

ISO 14001:2015 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. ISO 14001:2015 is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

Company has successfully adopted the Food Safety System Certification (FSSC) 22000 Version 6.0, an internationally recognized certification scheme for food safety management systems. This adoption reflects the Company's commitment to global standards of food safety, quality, and compliance.

By implementing FSSC 22000 V6.0, the Company has further strengthened its operational controls, risk management framework, and customer confidence, ensuring sustainable growth while meeting stringent domestic and international regulatory requirements.

### 45. Credit Rating

During the year under review, the Company obtained credit ratings from Acuité Ratings & Research Limited ("Acuité"), a SEBI-registered Credit Rating Agency. Acuité has given Company's rating to **"ACUITE BBB –"**, reflecting an improvement in the Company's financial and operational performance.

### 46. Nomination and Remuneration Policy

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated.

Nomination and Remuneration policy of the Company forms part of this Annual Report as **Annexure - 7.**

### 47. Human Resources

The Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

### 48. Prevention of Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaints during the year as Company has not employed any women in the plant location.

The Company regularly conducts awareness programs for its employees.

#### **49. Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend amounts that remain unclaimed or unpaid for a period of seven consecutive years from the date of their transfer to the Unpaid Dividend Account are required to be transferred to the IEPF established by the Central Government.

During the year under review, the Company has not encountered any such cases, and accordingly, the said provisions were not applicable to the Company.

#### **50. Compliance with Secretarial Standards**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **51. Acknowledgements**

We express our sincere appreciation and thank our valued Shareholders, Customers, Bankers, Business Partners/Associates, Financial Institutions, Insurance Companies, Central and State Government Departments for their continued support and encouragement to the Company. We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

Sd/-  
**Shri. Jagadeesh S. Gudagunti**  
Chairman & Managing Director  
DIN | 00464873

Place: Siddapur  
Date: 25.08.2025

Annexure - 1

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186:**

Amount (in Lakh)

Nature of transaction (whether loan / guarantee / security / acquisition)	Date of making loan / acquisition / giving guarantee / providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed / Unlisted entities)	Amount of loan / security / acquisition / guarantee	Time period for which it is made / given	Date of passing Board Resolution	Purpose of loan/ security/ acquisition /guarantee	For loans	
							Rate of interest	Date of maturity
Investment	24-08-2024	Gudagunti Sugars & Bioenergies Private Limited  (Sh No. 5212 to 5217/9B, Ward No I, Kudachi Road, Baglkot district, Jamkhandi Town -587301, Karnataka)	500.00	OCRPS, up to maximum of 20 (Twenty) years		Strategic Investment	NA	NA

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars and Chemicals Limited**

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

Place: Siddapur  
Date: 25.08.2025



**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) Rule, 2014)

Form for disclosure of particulars of contract/arrangements entered into by the Company with related parties referred to in sub-section (1) section 188 of the Companies Act, 2013 including certain arms- length transactions under third proviso thereto

**1. Details of contract or arrangements or transactions not at arm's length basis:**

There were no such contracts or arrangements or transactions entered during the year ended March 31, 2025, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

The details of material contracts or arrangements or transaction on an arms-length basis for the year ended March 31, 2025, are.

Name of Related Party	Nature of Relationship	Nature of Contract/ Arrangement/ Transaction	Duration of Contract	Salient Terms	Date of Board Approval	Advances, if any	Justification
Siddapur Distilleries Limited	Common Directors	Sale of BH Molasses	135 Days	79,740.30 MT @ ₹13,620/- per MT	22-06-2024	NIL	Sale of goods in the ordinary course of businesses
Siddapur Distilleries Limited	Common Directors	Sale of CH Molasses	18 Days	8,993.86 MT @ ₹10,000/- per MT	22-06-2024	NIL	Sale of goods in the ordinary course of businesses
Siddapur Distilleries Limited	Common Directors	Sale of Syrup	74 Days	34,539 MT @ ₹15,510/- per MT	22-06-2024	NIL	Sale of goods in the ordinary course of businesses
Siddapur Distilleries Limited	Common Directors	Sale of Press Mud	182 Days	61,883 MT @ ₹275/-	22-06-2024	NIL	Sale of goods in

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s Limited				per MT			the ordinary course of business
Siddapur Distilleries Limited	Common Directors	Sale of DM Water	365 Days	1,05,873 KL @ ₹200/- per KL	22-06-2024	NIL	Sale of goods in the ordinary course of business
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	365 Days	84,659.99 MT @ ₹2,100/- per MT + applicable taxes	22-06-2024	NIL	Sale of goods in the ordinary course of business
Siddapur Distilleries Limited	Common Directors	Purchase of TG Set (on rent)	365 Days	₹17,700/- per month (incl. GST)	22-06-2024	NIL	Turbine provided on rent basis
Siddapur Distilleries Limited	Common Directors	Lease Rent	365 Days	₹1,77,000/- per year (incl. GST)	22-06-2024	NIL	Rental services provided
Gudagunti Sugars & Bioenergies Pvt. Ltd.	Common Directors	Sale of Bagasse	365 Days	4,999.07 MT @ ₹2,800/- per MT + applicable taxes	22-06-2024	NIL	Sale of goods in the ordinary course of business
Gudagunti Sugars & Bioenergies Pvt. Ltd.	Common Directors	Investment in Preference Shares	365 Days	N.A.	24-08-2024	NIL	Strategic investment
Extract Engineering, Dharwad	Common Directors	Purchase of Plant & Machinery	365 Days	At agreed value	22-06-2024	NIL	Purchase in the ordinary course of

## Annual Report 2024-2025

							business
Gudagunti Infratech	Common Directors	Purchase of Plant & Machinery	365 Days	At agreed value	22-06-2024	NIL	Purchase in the ordinary course of business

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Place: Siddapur  
Date: 25.08.2025

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

**DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

**A. CONSERVATION OF ENERGY:**

**Installation of Planetary Gear Boxes**

In addition to the 2nd Mill, planetary gear boxes were installed in the 3rd and 4th Mills, replacing the conventional gear transmission system. This has resulted in significant power savings and improved operational efficiency.

**Upgradation of Inter Carrier Chains**

The 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> inter-carriers' chains were upgraded from 229 mm pitch to 300 mm pitch, which has improved cane crushing consistency and minimized the occurrence of frequent slippages, thereby ensuring smoother operations.

**Installation of Mess Rater**

A Mess Rater was installed at the 6th Mill discharge end, which has contributed to reducing bagasse moisture and thereby enhancing boiler efficiency. These initiatives underscore the Company's commitment to continuous improvement, energy conservation, and cost optimization, aligning with its long-term vision of sustainable growth.

**B. TECNOLOGY ABSORPTION:**

1. Tear drop technology adapted to 1st mill GRPF top & bottom rollers & all six mills top rollers. It helps to improve cane crushing & avoiding rollers slippage.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO (As on 31.03.2025)**

Particulars	2024-25	2023-24
Earnings (Third Party) Rs.	-	-
Outgo	Nil	Nil

**D. POWER AND FUEL CONSUMPTION (As on 31.03.2025)**

Particulars	Figures in Units	Rate / Unit	Actual Paid Amt
Electricity Purchase	1803550	Rs.6.90/- + MD Charges	25660320

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Diesel Consumption for DG Set	9,200 Ltrs	86.29/ltr	7,93,868/-
Own generation of power through steam turbine	11,53,07,650 units	--	--
Consumption of power for Sugar Plant	5,37,73,570 units	--	--
Consumption of power for Co-gen plant	11871754 units	--	--
Consumption of power per quintal of sugar production	25.27 units	--	--
Power export receivable amount (Rs) as per "B" form bills			
Power Export to State Grid Open Access/ Under Section -11	5,09,50,550 units	4.45/unit	Rs. 22,65,17,356

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

Place: Siddapur  
Date: 25.08.2025

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Brief outline on CSR Policy of the Company**

Corporate Social Responsibility reflects the strong commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society.

This policy shall apply to all CSR initiatives and activities taken up at the various work-center and locations of Shri Prabhulingeshwar Sugars and Chemicals Limited (SPSCL), for the benefit of different segments of the society. The objective of the Company is:

- To ensure increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in & around its Work Centre and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local people.
- To generate, through its CSR initiatives, a goodwill for SPSCL and help reinforce a positive & socially responsible image of SPSCL as a corporate entity.

In accordance with the requirements under the Companies Act, 2013, Our Company's CSR activities, amongst others, will focus on:

1. Providing health care.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. 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; and
4. Rural Development.
5. Encouraging rural sports, art and culture.

SPSCL may identify activities apart from the aforementioned activities for carrying out the CSR activities and those identified activities need to be approved by the CSR Committee or Board of Directors.

**Composition of CSR Committee:**

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Mallappa Chinnappa Koti	Chairman	1	1
2	Shri. Dharmalingayya J. Gudagunti	Member	1	1
3	Shri. Nagappa G. Sanadi	Member	1	1

2. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

[www.prabhusugars.com](http://www.prabhusugars.com)

3. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The average CSR obligation of the Company is not crossing Rs. 10 Crores /- in past 3 years hence, the impact assessment is not applicable to the Company.

4. (a) Average net profit of the company as per section 135(5):

Net Profit	For the Financial Year ended March 31 2025 (In Rs.)		
	2024	2023	2022
	18,09,09,124	19,66,01,000	1,09,57,714
Average Net Profit for the preceding three Financial Years	12,94,89,279.33		

- (b) Two percent of average net profit of the company as per section 135(5):

Rs. 25,89,786/-

- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

- (d) Amount required to be set off for the financial year, if any: 39,275/-

- (e) Total CSR obligation for the financial year [(b)+(c) -(d)]: Rs. 25,50,511/-

5. (a) (i) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	State	District	Location of the project	Project duration	Amount allocated for the project (Rs. Million)	Amount spent in the current financial year (Rs. Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

(ii) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	State	District	Location of the project	Amount spent for the project. (In Rs.)	Mode of implementation - Direct (Yes/ No)
								Mode of implementation - Through implementing agency
								Name.
								CSR Registration Number
1.	Maintenance of Schools	Promotion of Health and Education	Yes		Siddapur Village, Taluk-Jamakhandi, Dist Bagalkot, Karnataka 587301, India.		12,08,498	No
								The amount was spent through Shri Prabhulingeshwar Shikshana Samsthe, a Society registered under The Karnataka Societies
								CSR00025309



## Annual Report 2024-2025

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII	Local area (Yes/No)	Location of the project State District		Amount spent for the project. (In Rs.)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency Name. CSR Registration Number
								Registration Act, 1960,
2.	Government Related Programmes	Promoting Art, Culture, and Heritage	Yes	Bagalkot 587101, Karnataka, India		10,00,000	Yes	Spent Directly
3.	Road Repairs	Rural Development	Yes	Siddapur Village 587301		3,66,000	Yes	Spent Directly
4.	Cloth and Water Distribution	Eradicating Hunger, Poverty, and Malnutrition:	Yes	Jamkhandi 587301		25,000	Yes	Spent Directly
<b>Total</b>					<b>Rs. 25,99,498</b>			

(b) Amount spent on Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 25,99,498/-

(e) CSR amount spent or unspent for the financial year: Na

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 25,99,498	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (In Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	25,89,786.00
(ii)	Total amount spent for the Financial Year	25,99,498.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9,712.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9,712.00

**6. Details of Unspent CSR amount for the preceding three financial years:**

(1)	(2)	(3)	(4)	(5)	(6)			(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Rs.)	Balance Amount in Unspent CSR Account under section 135(6) (Rs.)	Amount spent in the reporting Financial Year (Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5), if any			Amount remaining to be spent in succeeding financial years. (Rs.)	Deficiency, if any
					Name of the Fund	Amount (Rs.)	Date of transfer		
1.	FY 2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

**-NO-**

If Yes, enter the number of Capital assets created/acquired.

NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

## Annual Report 2024-2025

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.**

**For and on behalf of Corporate Social Responsibility Committee**

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars and Chemicals Limited**

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

Place: Siddapur  
Date: 25.08.2025

**Secretarial Audit Report**

**For the financial year ended 31<sup>st</sup> March 2025**

*[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,**

**Shri Prabhulingeshwar Sugars and Chemicals Limited**

**CIN: U85110KA1995PLC017861**

**Regd. Office: Sy. No.104,100 & 96, Factory Site**

**Siddapur – 587 301, Jamkhandi Taluk, Bagalkot District, Karnataka**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED (the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2025 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2025 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- d) As the company does not have Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, the audit under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder is not required.
- e) The laws and Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company as the company is an unlisted public company.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

- b) As the company is an unlisted public company, the provisions of Listing Agreement and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015) are not applicable to the company.

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

- a) *The company had a whole time Company Secretary till 31/12/2019 and the said position has been filled on 22/06/2024.*

We further state that, during the period under review and based on our verification of the records maintained by the Company and also on review of compliance reports/statements by the respective department heads/Chief Financial Officer/Company Secretary taken on record by the Board of Directors of the company, in our opinion, adequate systems and processes and control mechanism commensurate to the size and nature of the company's business exist in the company to monitor and ensure compliances with applicable laws, industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

We, further report that:

- a) The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) 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.
- c) All decisions of the Board are carried through unanimous decisions and there were no dissenting views.

We further report that during the audit period the company has taken following major decisions requiring approval of members in the Annual general meeting held on 30/09/2024:

- 1. Approval for appointment of Non-Executive Independent Director.
- 2. Appointment of Non-Executive Director.
- 3. Approval for transactions with related parties.
- 4. Reclassification of existing authorised share capital and consequential amendments to Memorandum of Association.
- 5. Increase in Authorised capital and consequential amendments to Memorandum of Association.
- 6. Revision in remuneration to Whole time Director and CFO.

The Company has initiated a Scheme of Arrangement of Siddapur Distilleries Limited with the Company and their respective Shareholders and Creditors under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 at the meeting of the Board of Directors held on 22/06/2024. The petition in this regard with the Honorable National Company Law Tribunal, Bengaluru Bench has been filed on 02/01/2025. Scheme of Arrangement is pending with the Honorable National Company Law Tribunal, Bengaluru Bench.

**For Gopalakrishnaraj H H & Associates**  
**Company Secretaries**

**Sd/-**

**Gopalakrishnaraj H H**

**Proprietor**

**FCS: 5654; CP: 4152**

**Firm No: S2010KR129900**

**PR: 7113/2025**

**UDIN: F005654G001063403**

Place: Bengaluru

Date: 22/08/2025

**Annexure to Secretarial Audit**

**To:**

**The Members,**

**Shri Prabhulingeshwar Sugars and Chemicals Limited**

**CIN: U85110KA1995PLC017861**

**Sy. No.104,100 & 96, Factory Site**

**Siddapur – 587 301, Jamkhandi Taluk, Bagalkot District, Karnataka**

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

- a) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- d) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f) 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 Gopalakrishnaraj H H & Associates  
Company Secretaries**

**Sd/-**

**Gopalakrishnaraj H H**

**Proprietor**

**FCS: 5654; CP: 4152**

**Firm No: S2010KR129900**

**PR: 7113/2025**

Place: Bengaluru

Date: 22/08/2025

**VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

As part of our Corporate Governance practices, the Company has adopted the Whistle blower policy that covers our directors and employees.

The policy is provided herewith pursuant to Section 7 of the Companies (Meeting of the Board and its Powers) Rules, 2014.

**1. INTRODUCTION:**

Shri Prabhulingeshwar Sugars and Chemicals Limited (hereinafter referred to as ("the Company")) is committed to the highest standards of transparency, professionalism, legal compliance, honesty, integrity, ethical behaviour, corporate governance and accountability in conducting its business. The Company is committed to developing a culture where it is safe for all directors and employees to raise concerns, grievances on various matters pertaining to any malpractice, fraud, violation of code of conduct, abuse of power or authority by any official and misconduct.

An important aspect of transparency and accountability is a mechanism to enable employees of the Company to voice their Protected Disclosures in a responsible and effective manner. It is a fundamental term of every contract of employment with the Company that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's business and affairs. Nevertheless, where an employee discovers information which he/she believes to be serious malpractice, impropriety, abuse or wrongdoing within the organization, especially at the higher levels, then he/she should be able to disclose or report this information internally without fear of reprisal.

Section 7(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 has been recently amended which, inter alia, provides for a mandatory requirement for all class of companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Business Conduct and Ethics policy.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach various Committees of the Company:

**2. DEFINITIONS:**

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code

(a) "Audit Committee"- means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

(b) "Alleged Wrongful Conduct"- wrongful conduct shall mean and includes, but not limited to:



- Corporate Governance
- Related Party Transactions
- Mis-appropriation of funds
- Noncompliance to the law of the land or violation of law
- Concealing legal mandatory disclosures
- Breach of fiduciary responsibilities
- Infringement of Company Code of Conduct
- Breach of integrity and ethics policy
- Prohibitive Insider Trading Code of the Company
- Financial Irregularities
- Infringement and misuse of Intellectual Property

c) "Code"- means Company Code of Conduct

d) "Company means"- "Shri Prabhulingeshwar Sugars and Chemicals Limited"

e) "Employee"- Employee means every employee of the Company (whether working in India or abroad), permanent or temporary including the contracted employee and Directors of the Company whether in the employment of the Company or not.

f) Protected Disclosure"- means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

g) "Subject" - means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

h) "Whistle Blower"- means an Employee making a Protected Disclosure under this Policy.

### **3. SCOPE OF THE POLICY:**

a) This policy covers all employees of Shri Prabhulingeshwar Sugars and Chemicals Limited.

b) The Policy covers any 'Wrongful Conduct' and other malpractices which have taken place involving, but not limited to:

- Any unlawful act, whether criminal or not.
- Breach of any Policy or Manual or Code of Conduct adopted by the Company.
- Abuse (e.g. through physical, psychological or financial abuse, exploitation or neglect).
- Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe).
- Any instance of failure to comply with legal or statutory obligation either on behalf of the company or in any personal capacity in the course of discharging duties of the Company.
- Any kind of financial malpractice.
- Abuse of power (e.g. bullying/harassment).
- Negligence causing substantial and specific danger to public health and safety
- Wastage/misappropriation of company funds/assets
- Any other unethical or improper conduct.

c) All employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any other subsidiaries. But we don't have subsidiary company.

d) This policy has been introduced by the Company to enable to raise their Protected Disclosures about any 'Alleged Wrongful Conduct', malpractice, impropriety, abuse or wrongdoing at any stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage.

However, employees are not to use this mechanism to question financial or business decisions taken by the Company Management or to reopen issues which have already been addressed pursuant to disciplinary or other procedures of the Company.

e) The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

f) Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Committee Heads.

**4. EFFECTIVE DATE OF POLICY:** This revised policy will be effective from April 1st, 2014.

**5. COMPANY GUARANTEES UNDER THE POLICY:**

**1. Protection:**

a) The Company, as a matter of policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection shall be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/ her duties/functions including making further Protected Disclosure.

b) The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Employees who acted in good faith, raise genuine Protected Disclosures under this policy will not be at risk of losing their jobs or be subjected to any kind of harassment or pressure from the Management.

**2. Protected Disclosures are not published:**

The Company will take appropriate action to protect the identity of employees who raise Protected Disclosures in good faith, unless forced by circumstances to reveal, in which case the employees will be taken into confidence and his interests adequately protected.

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

**3. Disqualifications:**

a) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

c) Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

## **6. PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION:**

### **1. How to disclose Protected Disclosures:**

a) An employee intending to make any Protected Disclosure is required to disclose all relevant information at the earliest from the day on which he knew of the Protected Disclosure.

b) Protected Disclosures should preferably be reported in writing, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible hand writing in English or in the regional language of the place of employment of the Whistle Blower.

c) The Protected Disclosure, if forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Committee.

d) The Whistle Blower must disclose his identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible to interview the Whistle Blowers.

e) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

### **2. To whom should Protected Disclosures be disclosed?**

The Protected Disclosure should be disclosed through E-mail or fax, letter or any other method to the Chairman of the Audit Committee as mentioned below.

Chairman of the Audit Committee

Shri Prabhulingeshwar Sugars and Chemicals Limited

Registered Office & Factory:

Siddapur, Tq: Jamkhandi, Dt: Bagalkot, (Karnataka State) Tel: 08353 238004, 238200

E-Mail: prabhusugar.cs@gmail.com Website: www.prabhusugar.com

### **3. Investigation process:**

a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee, who will investigate/oversee the investigations under the authorization of the Audit Committee.

If any member of the Audit Committee has a conflict of interest in any given case, then he should abstain himself and the other members of the Audit Committee should deal with the matter on hand.

- b) Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c) The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle blower that an improper or unethical act was committed.
- d) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f) Subject shall co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g) Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle blower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h) Subject shall not interfere with the investigation.
- i) Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject.
- j) Unless there are compelling reasons not to do so, subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- k) Subject has a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- l) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

#### 4. Appeal against the decision of the Audit Committee:

If the Complainant or the person complained against is not satisfied with the decision of the Audit Committee, then either of the Parties could prefer an appeal against this decision before the Company's Board and the decision of the Board in the matter will be final and binding on all the parties in relation to the terms of employment. Appropriate appeal procedure may be formulated by the Board, ensuring principles of natural justice and the Subject shall have right of remedies under the law.

#### 5. Untrue Allegations:

If employees make allegations in good faith, which is not confirmed by subsequent investigation, no action will be taken against the disclosing employees. In making disclosures, employees should exercise due care to ensure the accuracy of the information.

#### 6. Maintaining confidentiality of the Protected Disclosure:

The employees disclosing the Protected Disclosure, as well as any of the persons to

whom the Protected Disclosure has been disclosed or any of the persons who will be investigating or deciding on the investigation, as well as the members of the Audit Committee, shall not make public the Protected Disclosure disclosed except with the prior written permission of the Audit Committee.

However, this restriction shall not be applicable if any employee is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

7. Complaints of retaliation as a result of disclosure:

a) If an employee believes that he/she has been retaliated against in the form of any adverse action for disclosing a Protected Disclosure under this policy, he/she may file a written complaint to the Audit Committee seeking redress.

b) For the purposes of this policy, an adverse action shall include a disciplinary suspension, a decision not to promote, a decision not to grant a salary increase, a termination, demotion, rejection during probation, a performance evaluation in which the employee's performance is generally evaluated as unsatisfactory, a forced resignation or an unfavourable change in the general terms and conditions of employment. Amendment:

c) The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason. However, no such amendment or modification will be binding on the employees unless the same is notified to the employees.

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

Place: Siddapur  
Date: 25.08.2025

**NOMINATION AND REMUNERATION POLICY**

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The Nomination and Remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act 2013.

**I. PREAMBLE:**

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every public Company shall constitute Nomination and Remuneration Committee. The Company already constituted Nomination and Remuneration Committee comprising of Two Non-Executive Independent Directors which also meets the requirement of Companies Act 2013. A Policy is required to be formulated in compliance with section 178 of the companies Act 2013 read along with the applicable rules

**II. OBJECTIVES:**

- a) To guide the Board in relation to appointment and removal of Directors and Key Managerial Personnel and senior management.
- b) To evaluate the performance of the Board members and submit the necessary reports for further valuation from the Board.
- c) To recommend to the Board on Remuneration payable to the Directors and Key Managerial Personnel and senior management.

**III. DEFINITIONS:**

- “Board” means Board of Directors of the Company.
- “Company” means “Shri Prabhulingeshwar Sugars and Chemicals Limited.”
- “Employees’ Stock Option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.
- “Key Managerial Personnel” (KMP) means
  - (i) Chief Executive Officer or the Managing Director or the Manager
  - (ii) Whole Time Director
  - (iii) Company Secretary
  - (iv) Chief Financial Officer and
  - (v) Such other officer as may be prescribed
- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

- “Policy or This Policy” means, “Nomination and Remuneration Policy.” “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- “Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

#### **IV. INTERPRETATION:**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.

#### **V. GUIDING PRINCIPLES:**

The Policy ensures that:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration to Directors, Key Managerial Personnel involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- d) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non- executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration.
- e) To determine remuneration based on the Company’s size and financial position & trends and practices on remuneration prevailing in peer companies, in the industries.
- f) To carry out evaluation of the performance of Directors, as well as Key Managerial and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company’s operations; and
- g) To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- h) To lay down criteria for appointment, removal of directors, Key Managerial Personnel and evaluation of their performance.

#### **VI. ROLE OF THE COMMITTEE**

The role of the Committee inter alia is the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in KMP in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director’s performance.
- e) To recommend to the Board the appointment and removal of Directors and KMP

- f) To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **VII. MEMBERSHIP:**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **VIII. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members present at the meeting shall choose one amongst them to act as chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **IX. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be circumstances exist.

#### **X. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **XI. VOTING:**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting any such decision shall for all purposes be deemed a decision of the Committee.



b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT.**

Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at senior management level and recommend to the Board his/her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointments beyond seventy years.

Term/Tenure:

a) Managing Director/Whole-time Director/Manager (Managerial Person) :

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to two consecutive terms on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of two years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 01, 2014, or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director does not serve as an Independent Director as well as Whole-time Director of a company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP at regular intervals (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON AND KMP**

1. General:

a) The remuneration/ compensation/ commission, etc., to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.

c) Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if any Director is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

2. Remuneration to Managerial Person, KMP and Senior Management:

a) Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites, including employer's contribution to P.F, pension scheme, medical expenses, etc., shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

c) Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3. Remuneration to Non-Executive/Independent Director:

a) Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. Sitting Fees: The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and Articles of Association of the Company, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government and approved by the Board from time to time.

b) Limit of Remuneration/Commission:

The Company does not paid any commission to independent directors of the Company.

c) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

**XIV. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

#### **XV. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so subject to the approval of the Board.

By order of the Board of Directors  
For **Shri Prabhulingeshwar Sugars  
and Chemicals Limited**

Sd/-  
**Veerupakshayya J. Gudagunti**  
Executive Director & CFO  
DIN | 07578798

Place: Siddapur  
Date: 25.08.2025

**INDEPENDENT AUDITOR'S REPORT**

To,  
**THE MEMBERS OF SHRI PRABHULINGESHWAR  
SUGARS AND CHEMICALS LIMITED,  
CIN- U85110KA1995PLC017861  
SIDDAPUR-587301.**

**Report on the Audit of the Financial Statements**

**Opinion:**

We have audited the accompanying Financial Statements of **Shri Prabhulingeshwar Sugars and Chemicals Limited (CIN: U85110KA1995PLC017861)** registered office at Siddapur - , Taluk-Jamkhandi, District - Bagalkote ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred 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 Accounting Standards prescribed under section 133 of the act, read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Profit and Cash Flows for the year ended on that date.

**Basis for Opinion:**

We conducted our audit in accordance with the standards on auditing 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 Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Information other than the Financial Statements and Auditors' 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 Board's Report including Annexures to Board's Report, but does not include the Financial Statements and 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the financial statements:**

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

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

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements:**

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 scepticism 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 financial statements that, individually or in aggregate, make it probable that economic decisions of the 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 communicated 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.

**Report on other Legal and Regulatory requirements:**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

**As required by Section 143(3) of the Act, based on our audit, we report that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Company does not have any branch office and hence the question of receiving returns from such branches for the purposes of our audit does not arise.
- (d) The Standalone Balance Sheet, the statement of Profit and Loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the Directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
- (h) 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 Companies Act, 2013, 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, including sitting fees, is in accordance with the provisions of Section 197 of the Act. and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - a. The Company has not disclosed the impact of pending litigations on its financial position in its Financial Statements.;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - c. The Management represented that, there has been no delay in transferring amounts if any, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities



- identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e) The company has not declared / paid dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- f) With respect to the matter to be reported under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Based on our examination and according to the information and explanations given to us, we report that such audit trail feature has been operated throughout the year for all transactions recorded in the software, the audit trail has not been tampered with, and the audit trail records have been retained by the Company as per the statutory requirements.

**For MAHENDRA H. & COMPANY.,  
Chartered Accountants  
Firm Registration No. 021745S**

**(CA. MAHENDRA B. H.)  
Proprietor  
Membership No. 224944  
FRN – 021745S,  
PRC No. - 017358  
UDIN: 25224944BMISYW3039**

Place: Banahatti  
Date: 25th August 2025

**Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Shri Prabhulingeshwar Sugars and Chemicals Limited of even date)

i.	(a)	In respect of the Company’s Property, Plant and Equipment:
	(A)	The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
	(B)	The Company has generally maintained proper records full showing particulars of Intangible Assets.
	(b)	According to the information and explanations provided to us, Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of Property, Plant and Equipment is reasonable.
	(c)	According to the information and explanations given to us, the records examined by us, the title deeds, comprising all the immovable properties which are disclosed in the financial statements are held in the name of the company.
	(d)	According to the information and explanations given to us, the Company has not revalued its property, plant and equipment(including Right of use assets and its intangible assets) during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
	(e)	According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act,1988 and Rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the order are not applicable to the Company.
ii	a	As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion the coverage and procedure of the such verification by the management is appropriate and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on such verification.
	b	The Company has been sanctioned working capital limits in excess of Rs.5 Crores in aggregate from Banks/financial institutions on the basis of security of current assets from various banks. Monthly returns or Statements filed with banks/financial institutions are in agreement with the books of account.
iii	a	Based on the information and explanations provided to us, the company has made an investment of ₹ 5.00 crores in preference shares of Gudagunti Sugars & Bioenergies Private Limited. (Cumulative Investments – Rs. 40.00 Crores). According to information and explanation given to us, the company has provided the Corporate Guarantee to the Bank of India, Vijayapur Branch, Indian Bank, and State Bank of India, Jamkhandi Branch for the purpose of borrowing loans by the H & T Contractors for Harvesting and Transportation purpose.

		<p>(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates; - NIL</p> <p>(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to guarantees to parties other than subsidiaries, joint ventures and associates; Sanctioned – Rs. 129.73 Crores and Outstanding Rs. 139.91 Crores.</p>
	b	According to the information and explanations given to us, we are of the opinion that the terms and conditions in relation to Guarantees provided / Investments made are not, prima facie, prejudicial to the interest of the Company.
	c	The Company has not provided loans or advances in the nature of loans and accordingly, reporting under clauses (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the Order is not applicable to the Company.
iv		In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the investments made. The Company has not granted any loan or provided guarantee or security as covered under section 185 of the Act and accordingly, reporting in this respect is not applicable to the Company.
v		According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has neither accepted any deposit or amount deemed to be deposits from public covered under section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.
vi		We have broadly reviewed the books of accounts and Cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records
vii		In respect of statutory dues:
	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Income Tax and any other statutory dues applicable to the company with the appropriate authorities.
	(b)	According to the information and explanations provided to us and based on our examination of the records of the Company, we note that certain dues relating to Income Tax, Goods and Services Tax, Customs Duty, Excise Duty, and Value Added Tax have not been deposited as these are pending under dispute.

## Annual Report 2024-2025

		The details of such disputed dues are as follows				
	Sl. No.	Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
	1	Income Tax Act, 1961	Income Tax	94.04	2014-15	NFAC, New Delhi
	2	Income Tax Act, 1961	Income Tax	356.83	2014-15	NFAC, New Delhi
	3	Income Tax Act, 1961	Income Tax	249.89	2013-14	NFAC, New Delhi
	4	Income Tax Act, 1961	Income Tax	62.40	2013-14	NFAC, New Delhi
	5	Central Excise & Finance Act	Excise & Service Tax	3.05	Jan-2009 to Dec.2009	Commissioner, Central Tax & Central Excise, Hqrs, Belgaum
	6	Central Excise & Finance Act	Excise & Service Tax	24.82	2013	CESTAT, Bengaluru
viii		According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.				
ix	a	According to the information and explanations given to us, the Company generally has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender for the period ended on 31 <sup>st</sup> March 2025.				
	b	According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.				
	c	In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.				
	d	In our opinion and according to the information and explanations given to us by the Management, funds raised on short term basis have not been utilized for long term purposes.				
	e	According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures or associate companies.				
	f	The company does not hold any investment in any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2025. Hence clause 3(ix) ( f ) of the Order is not applicable.				
x	a	The Company did not raise any money by way of initial public offer or further public				

## Annual Report 2024-2025

		offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
	b	During the year, the Company has not made any Preferential Allotment or Private Placement of shares or fully, partly or optionally convertible debentures. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
xi	a	According to the information and explanation given to us, we have neither come across any instance of Fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such cases by the management;
	b	As per information and explanations given to us, No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
	c	According to the information and explanation given to us, no Whistle Blower Complaints have been received during the year by the Company. Accordingly reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable to the Company.
xii	a	In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
xiii		According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
xiv	a	The Company has appointed Chartered Accountants Firm to carry out the Internal Audit of the Company. In our opinion and according to the information and explanations given to us the Internal Audit System is commensurate with the size and nature of its business; and
	b	We have considered the internal audit report for the period under audit.
xv		According to the information and explanations given to us, in our opinion during the year the Company has not entered into Non-Cash Transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
xvi		The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) to (d) of the Order is not applicable.
xvii		Based on the examination of the books of accounts, we report that the Company has not incurred Cash Losses in the current financial year covered by our audit and in the immediately preceding financial year.
xviii		There has been no Resignation of the Statutory Auditors during the year. Hence,

## Annual Report 2024-2025

		the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
xix		According to information and explanations provided to us, 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, the auditor's knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report regarding the Company's capabilities of meeting its liabilities as and when they fall due within a period of one year from the balance sheet date.
xx	(a)	According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. There is no unspent amount which was required to be transferred to a Fund specified in Schedule VII companies Act in compliance with second proviso to sub section (5) of section 135 of the Companies Act, accordingly reporting under paragraph 3(xx)(a) of the Order is not applicable to the company.
	(b)	There is no Unspent amount under section (5) of Section 135 of the Companies Act, 2013 pursuant to any ongoing Project which was required to be transferred to Special Account in compliance with sub-section (6) of Section 135 of Companies Act, accordingly reporting under paragraph 3(xx) of the Order is not applicable to the Company.
xxi		In our Opinion and according to the information & explanations provided to us, the company does not have any subsidiaries, associates and joint ventures during the year. Hence, the company is not required to prepare consolidated Financial Statements. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable.

**For MAHENDRA H. & COMPANY.,**  
**Chartered Accountants**  
**Firm Registration No.021745S**

**(CA. MAHENDRA B. H.)**  
**Proprietor**  
**Membership No. 224944**  
**PRC No. - 017358**  
**UDIN: 25224944BMISYW3039**

Place: Banahatti  
Date: 25th August 2025

**Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Shri Prabhulingeshwar Sugars and Chemicals Limited of even date)

**Report on the Internal Financial Controls over Financial Reporting 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 **Shri Prabhulingeshwar Sugars and Chemicals Limited (“the Company”)** as at March 31, 2025, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management’s responsibility for internal financial controls:**

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

**Auditors’ Responsibility:**

Our responsibility is to express an opinion on the Internal Financial Controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement in 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 control 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;

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. 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 authorisations of management and directors of the company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of internal financial controls over financial reporting:**

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

**Opinion:**

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

**For MAHENDRA H. & COMPANY,  
Chartered Accountants  
Firm Registration No.021745S**

**(CA. MAHENDRA B. H.)  
Proprietor  
Membership No. 224944  
PRC No. - 017358  
UDIN: 25224944BMISYW3039**

Place: Banahatti  
Date: 25th August 2025



**SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED****CIN U85110KA1995PLC017861****Balance Sheet as at 31 March 2025****(Amount in Lakhs)**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March,2025</b>	<b>As at 31st March, 2024</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	<b>1</b>	4,661.86	4,661.86
(b) Reserves and Surplus	<b>2</b>	33,486.71	33,338.32
		<b>38,148.57</b>	<b>38,000.18</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term Borrowings	<b>3</b>	19,923.49	17,831.51
(b) Deferred Tax Liabilities (Net)	<b>4</b>	1,658.82	1,333.52
(c) Other Long Term Liabilities	<b>5</b>	1,859.79	1,859.79
(d) Long-term Provisions	<b>6</b>	1,421.89	1,382.99
		<b>24,863.98</b>	<b>22,407.81</b>
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	<b>7</b>	52,986.01	56,491.15
(b) Trade Payables			
(i) Outstanding dues to micro enterprises and small enterprises	<b>8</b>	203.53	45.54
(ii) Outstanding dues to creditors other than micro enterprises and small	<b>8</b>	33,770.24	30,585.61
(c) Other Current Liabilities	<b>9</b>	14,879.50	4,066.13
(d) Short-term Provisions	<b>10</b>	927.14	903.60
		<b>1,02,766.41</b>	<b>92,092.03</b>
<b>TOTAL</b>		<b>1,65,778.96</b>	<b>1,52,500.01</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment and Intangible assets	<b>11</b>		
(i) Property, Plant and Equipment		60,149.62	61,578.23
(ii) Intangible Assets		32.61	32.66
(iii) Capital Work-in-progress		7,047.60	532.19
(b) Non-current Investments	<b>12</b>	4,986.62	4,371.62
(c) Other Non-current Assets	<b>13</b>	71.54	71.94
		<b>72,287.98</b>	<b>66,586.63</b>
<b>(2) Current assets</b>			
(a) Current Investments	<b>14</b>	676.56	501.55
(b) Inventories	<b>15</b>	71,383.04	64,017.16
(c) Trade Receivables	<b>16</b>	12,027.25	12,006.82
(d) Cash and Bank Balances	<b>17</b>	2,404.48	3,037.06
(e) Short-Term Loans and Advances	<b>18</b>	6,540.09	5,894.57
(f) Other Current assets	<b>19</b>	459.55	456.20
		<b>93,490.98</b>	<b>85,913.37</b>
<b>TOTAL</b>		<b>1,65,778.96</b>	<b>1,52,500.01</b>

**Summary of significant accounting policies 28**

The Notes form an integral part of these financial statements

**As per Our Report of Even Date attached****Date:** 25-08-2025**Place:** SiddapurFor **SHRI PRABHULINGESHWAR SUGARS & CHEMICALS LIMITED**For **MAHENDRA H & CO.,****FRN- 021745S**

**Sd/-**  
**Jagadeesh. S. Gudagunti**  
**Chairman & Managing Director**  
**DIN 00464873**

**Sd/-**  
**V. J. Gudagunti**  
**Executive Director & CFO**  
**DIN 07578798**

**Sd/-**  
**N. G. Sanadi**  
**Director**  
**DIN 00666766**

**Chartered Accountants**

**Sd/-**  
**M. C Koti**  
**Independent Director**  
**DIN 05203944**

**Sd/-**  
**Raveendragouda G**  
**Company Secretary**  
**M No. A 67512**

**Sd/-**  
**Vinod Kumar K**  
**General Manager (F&A)**

**Sd/-**  
**MAHENDRA B. H.**  
**Proprietor**  
**M. No. 224944**

**UDIN: 25224944BMISYW3039**

**SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED**

Siddapur 587 301, Tq. Jamakhandi, Dist. Bagalkot

CIN U85110KA1995PLC017861

Statement of Profit and Loss as at 31st March 2025

(Amount in Lakhs)

Sl. No.	Particulars	Note No.	31st March, 2025	31st March, 2024
<b>I</b>	<b>Income:</b>			
	Revenue from Operations	<b>20</b>	83,170.15	76,410.09
	Other Income	<b>21</b>	440.75	242.65
	<b>Total Income</b>		<b>83,610.90</b>	<b>76,652.74</b>
<b>II</b>	<b>Expenses</b>			
	Cost of Materials Consumed	<b>22</b>	70,602.12	76,997.47
	Changes in Inventories of Finished Goods,	<b>23</b>	-6,622.41	-20,252.81
	Employee Benefits Expense	<b>24</b>	2,934.65	3,505.37
	Finance Costs	<b>25</b>	8,914.70	6,915.51
	Depreciation and Amortisation Expense	<b>11</b>	1,799.36	1,721.04
	Other Expenses	<b>26</b>	3,954.27	5,971.27
	<b>Total Expenses</b>		<b>81,582.70</b>	<b>74,857.85</b>
<b>III</b>	<b>Profit Before Tax (I- II)</b>		<b>2,028.20</b>	<b>1,794.90</b>
<b>IV</b>	<b>Tax Expense:</b>			
	(1) Current Tax		354.37	316.09
	(2) Deferred Tax		325.30	-94.21
<b>V</b>	<b>Profit/(Loss) for the Year (III-IV)</b>		<b>1,348.54</b>	<b>1,573.02</b>
<b>VI</b>	<b>Earnings Per Equity Share:</b>			
	(1) Basic		2.89	3.37
	(2) Diluted		2.89	3.37

The notes form an integral part of these financial statements

For **SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED** As per Our Report of Even Date attached

Date: 25-08-2025

Place: Siddapur

For **MAHENDRA H & CO.,**

FRN- 021745S

Chartered Accountants

Sd/-

**Jagadeesh. S. Gudagunti**  
**Chairman & Managing Director**  
**DIN 00464873**

Sd/-

**V. J. Gudagunti**  
**Executive Director & CFO**  
**DIN 07578798**

Sd/-

**N. G. Sanadi**  
**Director**  
**DIN 00666766**

Sd/-

**M. C Koti**  
**Independent Director**  
**DIN 05203944**

Sd/-

**Raveendragouda G**  
**Company Secretary**  
**M No. A 67512**

Sd/-

**Vinod Kumar K**  
**General Manager (F&A)**

Sd/-

**MAHENDRA B. H.****Proprietor****M. No. 224944****UDIN:25224944BMISYW3039**

# Shri Prabhulingeshwar Sugars And Chemicals Limited

Siddapur 587 301, Tq. Jamakhandi, Dist. Bagalkot

CIN U85110KA1995PLC017861

Cash Flow Statement For The Period Ended 31st March, 2025

(Amount in Lakhs)

Sl. No.	Particulars	As at 31st March,2025	As at 31st March, 2024
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit before Tax & extraordinary items	2,028.20	1,794.90
	Adjustment for		
	Add Depreciation	1,799.36	1,721.04
	Less Interest income	-21.54	-4.49
	Add Adjustment for interest expenses	8,914.70	6,915.51
	Less Profit from sale of fixed Assets	0.00	-0.45
	Less Dividend income	-36.84	-37.56
	<b>Cash flow from Operating Activities before Working Capital Adj</b>	<b>12,683.88</b>	<b>10,388.95</b>
	Movements in Working Capital		
	Increase in Trade payables	3,342.62	2,742.99
	(Increase)/Decrease in Trade receivables	-20.43	2,570.20
	(Increase)/Decrease in Other current assets	-3.35	1.71
	(Increase)/Decrease in Short term loans & advances	-645.52	879.78
	Increase in Inventories	-7,365.88	-19,460.85
	Increase in Other current liabilities	10,813.37	2,806.30
	Increase in Long term provisions	38.90	294.46
	Increase in Short term provisions	23.54	117.31
	Decrease in Other non-current assets	0.40	0.48
	Less Income-tax paid	-354.37	-316.09
	<b>Net Cash from operating activities (A)</b>	<b>18,513.16</b>	<b>25.25</b>
<b>B</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Purchase of Investments	-790.01	-3,827.45
	Purchase of Fixed assets	-8,086.25	-3,968.64
	Proceeds on sale of Fixed assets	0.00	1.34
	Interest income	21.54	4.49
	Dividend income	36.84	37.56
	<b>Net Cash from Investing activities (B)</b>	<b>-8,817.89</b>	<b>-7,752.71</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Decrease)/Increase in Short term borrowings	-3,505.14	16,576.29
	Increase in Long term borrowings/ (Decrease) in Long term borrowings	2,091.97	-1,328.09
	Interest paid	-8,914.70	-6,915.51
	<b>Net Cash from Financing activities (C)</b>	<b>-10,327.87</b>	<b>8,332.69</b>
<b>D</b>	<b>Net Increase / Decrease in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-632.59</b>	<b>605.23</b>
<b>E</b>	Opening Cash and cash equivalent	3,037.06	2,431.84
<b>F</b>	<b>Closing Cash and cash equivalent (Note.17)</b>	<b>2,404.48</b>	<b>3,037.06</b>

The cash flow is prepared under indirect method as set out in Accounting Standard-3

For **SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED**

Date: 25-08-2025

Place: Siddapur

As per Our Report of Even Date attached

For **MAHENDRA H & CO.,**

FRN- 021745S

Chartered Accountants

Sd/-

**Jagadeesh. S. Gudagunti**

**Chairman & Managing Director**

**DIN 00464873**

Sd/-

**V. J. Gudagunti**

**Executive Director & CFO**

**DIN 07578798**

Sd/-

**N. G. Sanadi**

**Director**

**DIN 00666766**

Sd/-

**M. C Koti**

**Independent Director**

**DIN 05203944**

Sd/-

**Raveendragouda G**

**Company Secretary**

**M No. A 67512**

Sd/-

**Vinod Kumar K**

**General Manager (F&A)**

Sd/-

**MAHENDRA B. H.**

**Proprietor**

**M. No. 224944**

**NOTE 1**  
**Share Capital**

(Amount in Lakhs)		
Particulars	As at 31 March 2025	As at 31 March 2024
<b>Authorised</b>		
Equity Shares of Rs. 10/- each, 11,00,00,000 (Previous Year - 5,00,00,000) Equity Shares	11,000.00	5,000.00
13% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each 0 (Previous Year - 1,00,00,000,) Preference Shares	-	1,000.00
<b>Total</b>	<b>11,000.00</b>	<b>6,000.00</b>
<b>Issued, Subscribed &amp; Fully Paid up</b>		
4,66,18,595 Equity Shares of Rs. 10/- each fully paid-up	4,661.86	4,661.86
<b>Total</b>	<b>4,661.86</b>	<b>4,661.86</b>

\* "During the reporting period, the Authorised Share Capital of the Company was reclassified by cancelling the existing unissued 1,00,00,000 (One Crore) Preference Shares of ₹10/- (Rupees Ten) each and reclassifying the same into 1,00,00,000 (One Crore) Equity Shares of ₹10/- (Rupees Ten) each, pursuant to the approval of the Members at the Annual General Meeting held on 30th September, 2024."

\* During the reporting period, company has further increased the authorised share capital of the Company from INR 60,00,00,000 (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crore) equity shares of INR 10/- (Rupees Ten only) each to INR 110,00,00,000 (One Hundred and Ten Crores only) divided into 11,00,000 (Eleven Crore) equity shares of INR 10/- (Rupees Ten only) each

**a) Reconciliation of number of shares at the beginning and at the end of the reporting period.**

Particulars	Equity Shares			
	As at 31 March 2025		As at 31 March 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,66,18,595	4,661.86	4,66,18,595	4,661.86
Shares Issued during the year	-	-	-	-
Shares Redeemed during the year	-	-	-	-
Shares outstanding at the end of the year	4,66,18,595	4,661.86	4,66,18,595	4,661.86

**b) Terms/rights attached to equity shares.**

- The Company has only one class of Equity Shares having a par value of Rs.10 per share.
- Each holder of equity shares is entitled to one vote per share.
- The company declares and pays dividends in Indian Rupees.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the Equity Shareholders are eligible to receive the remaining assets of the Company, The distribution will be in proportion of their shareholding.

**c) Details of Shareholders holding more than 5% of the Shares:**

Sl. No	Name of Shareholder	As at 31 March 2025		As at 31 March 2024	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Shri Jagadeesh S Gudagunti	1,38,05,834.00	29.61	1,35,83,834	29.14
2	Siddapur Distilleries Ltd.	91,91,800.00	19.72	91,91,800	19.72

**d) Details of Shares held by Promoters at the year ended 31st March, 2025**

Particulars	As at 31 March 2025			As at 31 March 2024	
	No. of Shares	% of total Shares of the company	% change in shareholding during the year	No. of Shares	% of total Shares of the company
Shri Jagadeesh S. Gudagunti	1,38,05,834	29.61	0.47	1,35,83,834	29.14
Shri Rajendrakumar S. Gudagunti	10,36,334	2.22	-	10,36,334	2.22
Shri Satish S. Gudagunti	9,56,035	2.05	-	9,56,035	2.05
Shri Sudheer S. Gudagunti	8,79,134	1.89	-	8,79,134	1.89
Shri Nagappa G. Sanadi	77,001	0.17	-	77,001	0.17
Shri Nagayya A. Charantimath	35,801	0.08	-	35,801	0.08
Shri Subodh Vinayak Joshi	11,001	0.02	-	11,001	0.02
Shri Appasaheb R. Patil.	11,001	0.02	-	11,001	0.02
Shri Veerupakshayya J. Gudagunti	3,36,000	0.72	-	3,36,000	0.72
Shri Dharmalingayya J. Gudagunti	13,07,000	2.80	-	13,07,000	2.80

**NOTE 2****Reserves & Surplus****(Amount in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>(a) Capital Redemption Reserve</b>		
Opening Balance	235.98	235.98
(+) Current Year Transfer	-	-
<b>Closing Balance</b>	<b>235.98</b>	<b>235.98</b>
<b>(b) Revaluation Reserve</b>		
Opening Balance	29,535.54	30,735.68
(+) Current Year Transfer (Revaluation Reserve)	-	-
(-) Depreciation on Revaluation of Assets	1,200.14	1,200.14
<b>Closing Balance</b>	<b>28,335.40</b>	<b>29,535.54</b>
<b>(c) Surplus</b>		
Opening balance	3,566.80	1,993.78
(+) Net Profit / (Loss) for the year	1,348.54	1,573.02
<b>Closing Balance</b>	<b>4,915.34</b>	<b>3,566.80</b>
<b>Total</b>	<b>33,486.71</b>	<b>33,338.32</b>

**NOTE 3****Long Term Borrowings****(Amount in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Term loans - Secured</b>		
(a) From Banks	7,923.49	4,469.01
(b) From other Parties	12,000.00	13,362.50
<b>Total</b>	<b>19,923.49</b>	<b>17,831.51</b>
<b>(b) Unsecured</b>		
<b>(i) Loans and advance from related party</b>	-	-
<b>Total</b>	-	-
<b>Total (a+b)</b>	<b>19,923.49</b>	<b>17,831.51</b>

**Nature of Security and terms of repayment for Long Term secured borrowings:**

Sl. No.	Nature of Security	Terms of Repayment
1	Term Loan from Shri Basaveshwar Sahakari Bank Niyamith, Bagalkot, amounting to Rs.500.00 Lakhs is secured by pari passu 2nd charge on plant & machinery of the company and personal guarantee of directors.	Repayable in 7 years and 6 month in 90 Monthly instalments commencing from Nov 2024. Last instalment due in Jan - 2032. Rate of interest : 13.% Per Annum.
2	Term Loan from Jagruti Urban Credit Souharda Sahakari Sangha Niyamit, Harugeri amounting to Rs. 500.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years in 60 Monthly instalments commencing from Nov- 2024. Last instalment due in Oct- 2029. Rate of interest : 13% Per Annum.

3	Term Loan from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs.1500.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years 20 quarterly instalments commencing from Oct 2022. Last instalment due in July - 2027. Rate of interest (floating) : 12.50% Per Annum.
4	Term Loan from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs.3000.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years 20 quarterly instalments commencing from Nov 2023. Last instalment due in Oct - 2028. Rate of interest : 12.50% Per Annum.
5	Term Loan from Industrial Financial Corporation of India, amounting to Rs.198.00 Lakhs, is secured by 1st pari passu charge on plant & machinery of the factory & personal guarantee of directors.	Rs. 99 lakhs Repayable in 8 Half Yearly instalments commencing from Sept - 2020. Last instalment due in March - 2024. and Rs. 99 lakhs Repayable in 8 Half Yearly instalments commencing from March- 2022. Last instalment due in Sept - 2025. Rate of interest (floating) : 4.25% Per Annum.
6	Term Loan from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamit, Jamkhandi amounting to Rs.4500.00 Lakhs is secured by equitable mortgage on factory land and 2nd pari passu charge on plant & machinery & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly instalments commencing from Jan -2025. Last instalment due in Oct-2032 Rate of interest (floating) : 12.5% Per Annum.
7	Term Loan from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamit, Jamkhandi amounting to Rs.5500.00 Lakhs is secured by equitable mortgage on factory land and 2nd pari passu charge on plant & machinery & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly instalments commencing from Jan -2025. Last instalment due in Oct-2032 Rate of interest (floating) : 12.5% Per Annum.
8	Term Loan from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamit, Jamkhandi amounting to Rs.4000.00 Lakhs is secured by equitable mortgage on factory land of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly instalments commencing from Jan -2025. Last instalment due in Oct-2032 Rate of interest (floating) : 12.5% Per Annum.

#### NOTE 4

##### Deferred Tax Liabilities (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Deferred Tax Liability on account of		
i) Depreciation	3,060.24	3,393.25
(b) Deferred Tax Asset on account of		
i) Unabsorbed depreciation	853.44	1,527.45
ii) Provisions and expenses disallowable under Income Tax		
Act but allowable on payment basis	547.99	532.28
<b>Total</b>	<b>1,401.42</b>	<b>2,059.73</b>
<b>Deferred Tax Liability Net (a-b)</b>	<b>1,658.82</b>	<b>1,333.52</b>

#### NOTE 5

##### Other Long Term Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Deferred Purchase Tax on Sugar Cane	1,859.79	1,859.79
<b>Total</b>	<b>1,859.79</b>	<b>1,859.79</b>

**NOTE 6****Long- term Provisions****(Amount in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>(a) Provision for Employee Benefits</b>		
(i) Gratuity	1,021.91	994.54
(ii) Leave Encashment	399.98	388.45
<b>Total</b>	<b>1,421.89</b>	<b>1,382.99</b>

**NOTE 7****Short - term Borrowings****(Amount in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>(a) Secured</b>		
(i) Working Capital Loans from Banks	37,435.06	40,644.37
(ii) Working Capital Loans from Other Parties	11,000.00	11,000.00
(iii) Current maturities of long - term borrowings	2,550.95	2,846.78
<b>Total</b>	<b>50,986.01</b>	<b>54,491.15</b>
<b>(b) Unsecured</b>		
<b>(i) Loans and advance from related party</b>	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Total (a+b)</b>	<b>52,986.01</b>	<b>56,491.15</b>

**NOTE 8****Trade Payables****(Amount in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Outstanding dues of Micro, Small and Medium Enterprises (MSME)	203.53	45.54
(b) Outstanding dues of Creditors other than Micro, Small and Medium Enterprises (MSME)	33,770.24	30,585.61
<b>Total</b>	<b>33,973.76</b>	<b>30,631.15</b>



**Trade Payables ageing schedule as at 31 March 2025****(Amount in lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	203.53	-	-	-	203.53
(ii) Undisputed dues - Others	33,488.36	59.04	62.04	160.79	33,770.24
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>33,691.89</b>	<b>59.04</b>	<b>62.04</b>	<b>160.79</b>	<b>33,973.76</b>

**Trade Payables ageing schedule as at 31 March 2024****(Amount in lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	45.54	-	-	-	45.54
(ii) Undisputed dues - Others	30,361.20	62.62	40.79	121.01	30,585.61
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>30,406.74</b>	<b>62.62</b>	<b>40.79</b>	<b>121.01</b>	<b>30,631.15</b>

**NOTE 9****Other Current Liabilities****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
(a) Interest accrued but not due on borrowings	253.58	37.58
(b) Interest Accrued and Due on Borrowings	381.53	211.80
(c) Duties & Taxes Payable	233.09	356.63
(d) Advance Received form Costumers	10,747.39	85.82
(e) Others	3,263.91	3,374.30
<b>Total</b>	<b>14,879.50</b>	<b>4,066.13</b>

**NOTE 10****Short - term Provisions****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>(a) Provision for Employee Benefits</b>		
Salary & Reimbursements	181.91	181.00
Contribution to PF	29.08	27.67
Gratuity	148.60	141.26
Leave Encashment	71.17	70.37
Bonus , Ex-Gratia & Insurance	241.43	238.99
<b>(b) Provision for Current Tax</b>		
Current Tax	254.94	244.31
<b>Total</b>	<b>927.14</b>	<b>903.60</b>

## Shri Prabhulingeshwar Sugars And Chemicals Limited

Note 11

Property, Plant and Equipment and Intangible assets

(Amount in Lakhs)

Sl. No.	Particulars	Gross Block					Depreciation					Net Block	
		As at 31/03/2024	Revaluation	Additions	Deletions	As at 31/03/2025	Upto 31/03/2024	Deletions	for revaluation	for the year	Upto 31/03/2025	As at 31/03/2025	As at 31/03/2024
(A)	Property, Plant and Equipment												
1	Land	576.77	3,520.91	0.00	0.00	4,097.68	0.00	0.00	0.00	0.00	0.00	4,097.68	4,097.68
2	Factory Buildings	2,159.99	604.40	4.25	0.00	2,768.64	1,253.97	0.00	19.14	67.16	1,340.27	1,428.37	1,510.42
3	Other Buildings	3,318.28	445.47	6.96	0.00	3,770.71	1,589.01	0.00	14.11	122.51	1,725.62	2,045.09	2,174.74
4	Temporary Sheds	30.70	0.00	0.00	0.00	30.70	30.70	0.00	0.00	0.00	30.70	0.00	0.00
5	Plant & Machinery	48,853.33	30,707.78	1,262.58	0.00	80,823.69	26,277.15	0.00	1,166.90	1,504.66	28,948.70	51,874.99	53,283.96
6	Vehicles	467.30	0.00	235.22	0.00	702.52	299.22	0.00	0.00	38.57	337.79	364.73	168.08
7	Tractors	496.77	0.00	0.00	0.00	496.77	288.34	0.00	0.00	49.10	337.44	159.33	208.43
8	Cane Harvesting Machine	625.41	0.00	0.00	0.00	625.41	594.14	0.00	0.00	0.00	594.14	31.27	31.27
9	Furniture & Fixtures	143.53	0.00	12.45	0.00	155.98	105.85	0.00	0.00	9.76	115.62	40.37	37.68
10	Office Equipments	152.40	0.00	43.04	0.00	195.44	125.39	0.00	0.00	3.09	128.48	66.95	27.00
11	Data Processing Machines	194.30	0.00	6.34	0.00	200.64	155.34	0.00	0.00	4.46	159.80	40.84	38.96
<b>Total</b>		<b>57,018.77</b>	<b>35,278.57</b>	<b>1,570.84</b>	<b>0.00</b>	<b>93,868.19</b>	<b>30,719.12</b>	<b>0.00</b>	<b>1,200.14</b>	<b>1,799.31</b>	<b>33,718.57</b>	<b>60,149.62</b>	<b>61,578.23</b>

<b>B</b>	<b>Intangible Assets</b>												
1	Atharva ERP Software	32.71	0.00	0.00	0.00	32.71	0.05	0.00	0.00	0.05	0.10	32.61	32.66
<b>Total</b>		<b>32.71</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.71</b>	<b>0.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.05</b>	<b>0.10</b>	<b>32.61</b>	<b>32.66</b>

<b>(C)</b>	<b>Capital Work in Progress</b>	532.19	0.00	6,515.41	0.00	7,047.60	0.00	0.00	0.00	0.00	0.00	7,047.60	532.19
<b>Total</b>		<b>532.19</b>		<b>6,515.41</b>	<b>0.00</b>	<b>7,047.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,047.60</b>	<b>532.19</b>

Capital Work in Progress Ageing Schedule

Particular	As at 30 March,2024				Total	As at 30 March,2023				Total
	Amount CWIP for a period of					Amount CWIP for a period of				
	Less than 1 year	1-2 years	2-3 Years	More than 3 Years		Less than 1 year	1-2 years	2-3 Years	More than 3 Years	
Projects in Progress	6515.41	532.19	0.00	0.00	7047.60	532.19	0.00	0.00	0.00	532.19

\* CWIP does not include any project, completion of which is over or has exceed its cost as per plan.

\*\* Title deeds of immovable properties not held in name of the company

**NOTE 12****Non-current Investments****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Other Investments</b>		
Unquoted (Valued at cost)		
In Equity shares of		
(a) Co - Operative Banks	871.52	871.52
(b) Shri Prabhulingeshwar Souharda Pattina Sahakari Sangh Niyamit - Jamkhandi	0.10	0.10
(c) In Preference Shares of GSBPL - Jamkhandi (1750 no. of redeemable preference shares of Rs. 50,000 face value each)	4,000.00	3,500.00
(d) Investments in Long Term Bonds with Cosmos Bank Ltd	115.00	-
<b>Total</b>	<b>4,986.62</b>	<b>4,371.62</b>

**NOTE 13****Other Non-current Assets****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Deposits -Secured Considered Good	71.54	71.94
<b>Total</b>	<b>71.54</b>	<b>71.94</b>

**NOTE 14****Current Investments****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Unquoted (Valued at cost)		
In Equity shares of Co-operative Banks	676.56	501.55
<b>Total</b>	<b>676.56</b>	<b>501.55</b>

**NOTE 15****Inventories****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
(a) Work-In-Progress	0.00	362.90
(b) Finished Goods	68,533.53	61,548.22
(c) Stores and Spares	2,728.62	2,025.66
(d) Chemicals	120.90	80.38
<b>Total</b>	<b>71,383.04</b>	<b>64,017.16</b>

**NOTE 16****Trade Receivables****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Unsecured and considered good	12,027.25	12,006.82
<b>Total</b>	<b>12,027.25</b>	<b>12,006.82</b>

**Trade Receivables ageing schedule as at 31 March 2025**
**(Amount in Lakhs.)**

Particulars	Outstanding for following periods from due date of Receipts					
	Less than 6 months	6 months - 1 year	1-2 years	2-3years	More than3 years	Total
(i) Undisputed Trade receivables – considered good	11,135.61	-	252.85	1.16	637.63	12,027.25
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>11,135.61</b>	<b>-</b>	<b>252.85</b>	<b>1.16</b>	<b>637.63</b>	<b>12,027.25</b>

**Trade Receivables ageing schedule as at 31 March 2024**
**(Amount in Lakhs.)**

Particulars	Outstanding for following periods from due date of Receipts					
	Less than 6 months	6 months - 1 year	1-2 years	2-3years	More than3 years	Total
(i) Undisputed Trade receivables – considered good	11,347.22	2.66	5.57	14.24	637.13	12,006.82
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>11,347.22</b>	<b>2.66</b>	<b>5.57</b>	<b>14.24</b>	<b>637.13</b>	<b>12,006.82</b>

**NOTE 17****Cash and Bank Balances****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>(a) Cash and Cash Equivalents</b>		
(i) Balances with banks	2,403.01	3,035.08
(ii) Cash in hand	1.47	1.99
<b>Total</b>	<b>2,404.48</b>	<b>3,037.06</b>

**NOTE 18****Short-term Loans and Advances****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Unsecured, considered good	6,540.09	5,894.57
<b>Total</b>	<b>6,540.09</b>	<b>5,894.57</b>

**NOTE 19****Other Current assets****(Amount in Lakhs)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Balances with Revenue Authorities	459.55	456.20
<b>Total</b>	<b>459.55</b>	<b>456.20</b>

**NOTE 20****Revenue from Operations****(Amount in Lakhs)**

Particulars	31 March 2025	31 March 2024
a) Sale of Products	83,170.15	76,410.09
b) Other Operating Revenues	0.00	0.00
<b>Revenue from Operations</b>	<b>83,170.15</b>	<b>76,410.09</b>

**Details of Sale of Products & Other Operating Revenues**

Particulars	31 March 2025	31 March 2024
<b>a) Sale of Products</b>		
Sugar Domestic	57,159.90	51,041.18
Sugar Export (Export through third party)	2,242.70	0.00
Power	2,265.17	2,474.71
Molasses	11,769.01	13,361.09
Syrup	5,357.00	6,174.38
Press Mud	170.18	191.52
Bagasse	4,206.18	3,167.21
<b>Total A</b>	<b>83,170.15</b>	<b>76,410.09</b>

**NOTE 21****Other income****(Amount in Lakhs)**

Particulars	31 March 2025	31 March 2024
Interest Income	21.54	4.49
Dividend Income	36.84	37.56
Other non-operating income	382.37	200.61
<b>Total</b>	<b>440.75</b>	<b>242.65</b>

**NOTE 22****Cost of Materials Consumed****(Amount in Lakhs)**

Particulars	31 March 2025	31 March 2024
Raw Material		
Opening Stock	80.38	113.27
Add: Purchases	70,642.64	76,964.58
	70,723.02	77,077.85
Less: Closing Stock	120.90	80.38
<b>Total</b>	<b>70,602.12</b>	<b>76,997.47</b>

Details of Raw Material Consumed	31 March 2025	31 March 2024
Particulars		
Sugar Cane	69,704.73	76,070.03
Chemicals	897.40	927.44
<b>Total</b>	<b>70,602.12</b>	<b>76,997.47</b>

**NOTE 23**

**Changes in Inventories of Finished goods, Work-in-progress (Amount in Lakhs)**

Particulars	31 March 2025	31 March 2024
Opening Stock		
Finished Goods and by-products	61,548.22	40,658.11
Work In Process	362.90	1,000.20
Less : Closing Stock		
Finished Goods and by-products	68,533.53	61,548.22
Work In Process	0.00	362.90
<b>Total</b>	<b>-6,622.41</b>	<b>-20,252.81</b>

**NOTE 24**

**Employee Benefits Expense (Amount in Lakhs)**

Particulars	31 March 2025	31 March 2024
Salaries and incentives	2,556.45	2,884.08
Employer's Contribution to Provident Fund	163.75	168.20
Gratuity	129.77	307.42
Leave encashment	49.64	120.52
Employee Deposit Linked Insurance	6.82	6.79
Staff welfare expenses	28.21	18.37
<b>Total</b>	<b>2,934.65</b>	<b>3,505.37</b>

**Note 25**

**Finance Costs (Amount in Lakhs)**

Particulars	31 March 2025	31 March 2024
Interest	8,653.08	6,796.54
Bank Charges	261.62	118.97
<b>Total</b>	<b>8,914.70</b>	<b>6,915.51</b>



**NOTE 26****Other Expenses****(Amount in Lakhs)**

<b>Sl.No</b>	<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
1	Fuel, Oil & Lubricants	133.07	242.98
2	Spares	493.28	1,656.51
3	Packing Materials	671.94	851.13
4	Bagasse Handling Expenses	40.29	19.54
5	Repairs & Maintenance of Machinery	309.57	259.42
6	Factory Maintenance - Other Assets	465.50	490.90
7	Sugar Bagging Expenses	41.81	129.12
8	Other Manufacturing Expenses	13.61	4.05
9	Directors Remuneration	150.00	120.00
10	Travelling Expenses - Directors	12.35	12.38
11	Directors Sitting Fees	26.05	27.35
12	Legal, Consultancy , Professional Charges & Brokerage/ Commission	390.90	141.73
13	Postage, Telegram & Telephone Charges	15.23	11.83
14	Printing & Stationery	4.71	8.06
15	Rent, Rates, Taxes, Electricity, Insurance, Collateral Management Charges, PF Administration Charges & Power Import Charges	486.93	1,322.36
16	Repairs and Maintenance - Buildings & Others	65.67	102.07
17	Travelling, Conveyance, Flood Aid & Honorarium Expenses	62.39	56.77
18	Auditors Remuneration	0.00	0.00
	a)Audit Fees	7.00	7.00
	b)Tax & GST Audit	1.00	1.00
	c)For Reimbursement of Expenses	0.00	0.00
19	Selling & Distribution Expenses & Business Promotion	244.95	225.16
20	Miscellaneous Expenses	292.03	266.98
21	Bad debts & Advance Written off	0.00	0.65
22	Loss on Sale of Assets	0.00	0.05
23	CSR Expenditure	25.99	14.23
<b>Total</b>		<b>3,954.27</b>	<b>5,971.27</b>

**Note 27**  
**Financial Ratios**

Sl. No.	Particulars	Numerator	Denominator	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24	Change	Explanation where the change is more than 25%
				Numerator	Numerator	Denominator	Denominator	Ratio	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	93,490.98	85,913.37	1,02,766.41	92,092.03	0.91	0.93	0.02	NA
2	Debt-Equity Ratio	Long Term Borrowings + Short Term Borrowings	Equity Share Capital + Accumulated Profits	72,909.49	74,322.66	9,830.67	8,228.66	7.42	9.03	17.89%	The Improvement in the ratio is on account of reduction In the borrowings due to repayment of the borrowings along with the increase in accumulated profits due to the profit earned during the year.
3	Debt Service Coverage Ratio	PAT + Depreciation + Finance Cost	Finance Cost + Current Maturities of Long Term Borrowings (of Previous Financial Year)	12,062.60	10,209.57	11,465.65	9,580.55	1.05	1.07	1.28%	NA
4	Return On Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	1,348.54	1,573.02	8,902.93	7,442.00	15.15%	21.14%	-28.34%	Profit is increased at a lesser rate than the rate of increase in the accumulated reserves.
5	Inventory Turnover Ratio (Days)	Average Inventory	Revenue from Operations	67,700.10	54,287.00	83,170.15	76,410.09	297.11	259	-14.57%	Higher inventroy of Sugar is carried and Molasses is carried at the end of the balance sheet due to price anticipation by the Management
6	Trade Receivable Turnover Ratio (Days)	Average Trade Receivables	Total Income	12,017.03	13,292.00	83,610.90	76,652.74	52.46	63.29	17.12%	The Positive improvement is on account of realisation the debtors from ESCOM companies.
7	Trade Payable Turnover Ratio (Days)	Average Trade Payables	Cost of Raw Materials Consumed	32,302.46	29,260.00	70,602.12	76,997.47	167.00	139	-20.40%	The adverse movement in the ratio is on account of reduction in the short term borrowings which are otherwise used to pay these payables.
8	Net Capital Turnover Ratio	Total Income	Working Capital	83,610.90	76,652.74	-9,275.43	-6,178.64	-9.01	-12.41	27.34%	The Improvement is on account of higher amount of sales during the year due to Export of Sugar & Sale of Bagasse compared to the previous year
9	Net Profit Ratio	Net Profit	Total Income	1,348.54	1,573.02	83,610.90	76,652.74	1.61%	2.05%	21.41%	NA
10	Return On Capital Employed	Profit Before Interest And Taxes	Average Capital Employed (Average of Opening and Closing of Equity Share Capital, Accumulated Profits and Long Term Borrowings)	10,942.90	8,710.41	27,780.43	25,938.00	39.39%	33.58%	17.30%	The improvement in the ratio is on account of increased profit on the reduced borrowings
11	Return On Investment	Dividend Received From Shares In Co-Operative Banks	Time Weighted Average Investments	36.84	37.56	1,434.10	1,072.00	2.57%	3.50%	26.68%	Lesser dividend received compared to previous year on the higher amount of investments

(Annexure-1)

**Shri Prabhulingeshwar Sugars And Chemicals Limited**

**Siddapur 587 301, Tq. Jamakhandi, Dist. Bagalkot**

**CIN U85110KA1995PLC017861**

**For the year ended 31st March 2025**

**(A ) Segment Reporting:**

**Primary Segment: Business Segment**

**(Amount in Lakhs)**

Particulars	Sugar	Power	Molasses	Syrup	Unallocated	Total
<b>Revenue</b>						
External sales	59,402.60	2,265.17	11,769.01	5,357.00	4,376.36	83,170.15
Inter-segment Sales						
<b>Total Revenue from Operations</b>	<b>59,402.60</b>	<b>2,265.17</b>	<b>11,769.01</b>	<b>5,357.00</b>	<b>4,376.36</b>	<b>83,170.15</b>
<b>Other Non Operating Income</b>						
Other Income	314.80	12.00	62.37	28.39	23.19	440.75
<b>Total Revenue</b>	<b>314.80</b>	<b>12.00</b>	<b>62.37</b>	<b>28.39</b>	<b>23.19</b>	<b>440.75</b>
<b>Total Revenue</b>	<b>59,717.40</b>	<b>2,277.18</b>	<b>11,831.38</b>	<b>5,385.39</b>	<b>4,399.55</b>	<b>83,610.90</b>
<b>Segment Profit</b>						
Operating Profit before Interest & Taxes	7,815.74	298.03	1,548.48	704.83	575.81	10,942.90
Unallocated corporate expenses	-	-	-	-	-	-
Unallocated corporate income	-	-	-	-	-	-
Operating Profit	<b>7,815.74</b>	<b>298.03</b>	<b>1,548.48</b>	<b>704.83</b>	<b>575.81</b>	<b>10,942.90</b>
Interest Expenses	3,049.96	-	-	-	5,864.74	8,914.70
Profit from ordinary activities	<b>4,765.79</b>	<b>298.03</b>	<b>1,548.48</b>	<b>704.83</b>	<b>5,288.93</b>	<b>2,028.20</b>
Provision for Current Tax	-	-	-	-	354.37	354.37
Deferred Tax (Net)	-	-	-	-	325.30	325.30
Prior period items	-	-	-	-	-	-
<b>Net Profit</b>	<b>4,765.79</b>	<b>298.03</b>	<b>1,548.48</b>	<b>704.83</b>	<b>5,968.60</b>	<b>1,348.54</b>
<b>Other Information</b>						
Segment Assets	42,960.65	1,638.20	8,511.49	3,874.24	3,165.04	60,149.62
Unallocated corporate assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>42,960.65</b>	<b>1,638.20</b>	<b>8,511.49</b>	<b>3,874.24</b>	<b>3,165.04</b>	<b>60,149.62</b>
Segment Liabilities	33,770.24	19.40	100.78	45.87	37.48	33,973.76
Unallocated corporate Liabilities	-	-	-	-	-	-
Capital Expenditure	6,788.73	258.87	-	-	-	7,047.60
Unallocated corporate Capital Expenditure	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>6,788.73</b>	<b>258.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,047.60</b>

## **28. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

### **(I) ACCOUNTING POLICIES:**

#### **1. Basis of Accounting:**

- a. The Financial Statements have been prepared based on historical cost convention and accrual basis of accounting and are in conformity with the Accounting Standards notified under the Companies Act, 2013 ("the Act") read with General Circular No.15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 unless otherwise specifically stated.

#### **2. Recognition of Income and Expenditure:**

- a. The sales are shown net of GST, if any.
- b. Scrap is accounted on actual sale basis.
- c. Dividend income on investment in shares is recognized based on the establishment of Company's right to receive the same.
- d. Sale of steam and press mud has been recognized based on commercial invoice raised during the year.
- e. The Government grants/ Subsidy is accounted on accrual basis after the conditions specified for claiming such grants have been complied with as detailed in Clause 9 herein below.

#### **3. Fixed Assets:**

Fixed Assets (Net of GST Credit wherever applicable) are stated at cost less accumulated depreciation and cost includes applicable overheads till the date of commissioning. Capital work-in-progress is stated at cost.

#### **4. Depreciation & Amortization:**

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its **estimated residual value**.

Depreciation on Tangible Fixed Assets has been provided on the **straightline method** as per the useful life prescribed in Schedule II to the Companies Act, 2013.

## **5. Cash Flow Statement:**

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effect of its transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the groups are segregated.

## **6. Investments:**

Non-Current investments are carried out at cost. Diminution in the value of investments, meant to be held for a long period of time, is not recognized as in the opinion of the Directors; such diminution in value is purely temporary.

## **7. Valuation of Inventories:**

(A) Inventories of finished Stock & Spares are valued as mentioned below

- a. Finished stock of sugar is valued at Cost or estimated NRV whichever is lower.
- b. Stocks of stores, spares and consumables have been valued at Cost.
  - i. By-products Molasses and Bagasse are valued at net realizable value.

## **8. Employee Benefits:**

- a. Monthly contributions towards provident funds are paid by the company to the Provident fund Commissioner.
- b. Leave encashment and Gratuity liability are determined and provision held as per Actuarial Valuation.

## **9. Government Grants:**

Revenue Grants are recognized in the Statement of Profit & Loss in accordance with the terms of the related scheme and in the period in which these are accrued.

## **10. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.**

At the date of commencement of the lease, Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The Company recognized the lease Income as an Other Income on a straight-line basis over the lease term.

### **11. Borrowing Cost:**

Borrowing costs that are directly attributable in respect of qualifying assets are capitalized as part of qualifying fixed assets till the date of commissioning of respective assets. Other borrowing costs are recognized as expense in the period in which they are incurred. During the year an amount of Rs.602.89 lakhs was capitalized as per AS-16

### **12. Taxation:**

- a. Income tax expenses comprise current tax and deferred tax charge or credit. Provision for current tax is made at the tax rate applicable to the relevant assessment year.
- b. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax liability is set off to the extent of deferred tax asset if any, and the balance of deferred tax liability is charged.

### **13. Impairment of Assets:**

Management evaluates at regular intervals using external and internal sources whether there is any impairment of any asset. Any loss arising on account of impairment is recognized as expenditure.

### **14. Provisions, Contingent Liabilities and Contingent Assets:**

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if the amount of the obligation can be reasonably estimated.
- b. Contingent Liability is disclosed in the case of a possible obligation unless the probability of outflow of resources is remote.
- c. Contingent Assets are neither recognized nor disclosed in financial statements.

### **15. Earnings per Share:**

Basic Earnings per Share are calculated by dividing the net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings Per Share are calculated by dividing the net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as adjusted for the diluted potential equity shares, if any.

## 29. Related Party Disclosure.

Related party disclosures have been provided below. The related parties, in respect of which such disclosures have been made, have been identified based on the declarations made by the key managerial personnel mentioned here under and duly taken on record by the Board.

(i) Key Management Personnel

- a) Shri Jagadeesh S Gudagunti - Chairman and Managing Director
- b) Shri Veerupakshayya J. Gudagunti - Executive Director & CFO.

(ii) Information Relating to Related Party Transactions for the Year Ending 31st March 2025

[

(Amt in Lakhs)

Name of the Person	Relationship	Nature of Transaction	2024-25	2023-24
Shri J S Gudagunti	Chairman and Managing Director	Purchase of Sugar Cane	43.10	7.56
Shri J S Gudagunti	Chairman and Managing Director	Remunerations	60.00	60.00
Shri V J Gudagunti	Executive Director	Service Received	0.00	15.35
Shri V J Gudagunti	Executive Director	Purchase of Sugar Cane	70.50	183.46
Shri V J Gudagunti	Executive Director	Purchase of Cane Seeds	0.00	0.94
Shri V J Gudagunti	Executive Director	Rendering of Services	90.00	60.00
Shri V J Gudagunti	Executive Director	Rendering of Services	0.10	0.00
Shri V J Gudagunti	Executive Director	Issues of Fertilizers	11.66	0.00
Shri D J Gudagundti	Director	Purchase of Sugar Cane	39.03	31.91
Shri D J Gudagundti	Director	Purchase of Cane Seeds, Seedlings	72.35	67.75
Shri D J Gudagundti	Director	Service Received	0.00	14.24
Shri D J Gudagundti	Director	Purchase of Seeds	0.00	3.80
Shri D J Gudagundti	Director	Sales of Sugar Cane Seeds	7.27	0.00
Shri D J Gudagundti	Director	Sitting fees	3.00	3.00

**(iii) Siddapur Distilleries Limited. (Directors are interested in this transaction)**

(Amt in lakhs)

Description	2024-25	2023-24
Purchase of Goods	0.00	0.00
Sale of Goods	19,285.80	24473.08
Rendering of Services	1.5	1.77
Service received	1.94	2.12
Unsecured Loan	2000.00	2000.00
Outstanding Amount (Due to the Company)	10891.24	9933.51
Outstanding Amount (Due by the Company)	3.00	1.06

**(iv) Gudagunti Sugars & Bioenergies Private Limited. (Directors are interested in this transaction)**

Description	2024-25	2023-24
Investment made during the year in preference share capital	500.00	0.00
Cost of Investments at the end of FY	4000.00	3500.00
Sale of Goods	139.97	0.00

**(v) Extract Engineering Works (Directors are interested in this transaction)**

Description	2024-25	2023-24
Purchase of Goods	831.65	0.00
Sale of Goods	0.00	0.00

**(vi) Gudagunti Infra Tech Private Limited (Directors are interested in this transaction)**

Description	2024-25	2023-24
Purchase of Goods	23.29	0.00
Sale of Goods	0.00	0.00



30. The List of Micro, Small and Medium Enterprises to whom the company has the payments due, have been identified from available information as at 31<sup>st</sup> March 2025.

- a. Godavari Enterprises-Solapur
- b. Kamakshi Engineering Belgaum
- c. Kolar Chemical Works Banahatti
- d. Nichrome Testing Laboratory & Research Pvt Ltd-Dhar
- e. Ranasaria Poly Pack Pvt Ltd-Ahmedabad
- f. Suyash Engineering Company-Belgaum

31. The balance of the few receivables and payables, loans and advances are subject to reconciliation and confirmation and consequential expenses /incomes.

**32. Segment Revenue and profit for the year ended 31<sup>st</sup> March 2025. (Annexure-1)**

33. Company information and Significant Statement of Significant accounting policies and Practices, and Use of critical estimates, judgments and assumptions.

**a) Corporate Information:**

**Shri Prabhulingeshwar Sugars and Chemicals Limited** ("SPSCL" or "the Company"), having Corporate Identity Number (CIN: U85110KA1995PLC017861), is a public limited company incorporated under the provisions of the Companies Act, 1956, and domiciled in India. The registered office of the Company is situated at **Sy. No.104,100 & 96 Factory Site Village Siddapur, Taluk-Jamkhandi, Bagalkot, Siddapur, Karnataka, India, 587301.**

The Company is one of the major sugar manufacturing companies in the state of Karnataka. The principal business activity of the Company is the **manufacture and sale of sugar**. In addition, the allied activities of the Company comprise the **manufacture and sale of Syrup, Molasses, Pressmud**, and the **Generation and sale of co-generated power**.

**b) Significant accounting policies and practices adopted by the company are Disclosed in the statement as Note No.28.**

**c) Use of critical estimates, judgments and assumptions:**

The preparation of the standalone financial statements in conformity with applicable accounting principles requires management to make certain **estimates, judgements, and assumptions**. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities, and the accompanying disclosures, including the disclosure of contingent assets and liabilities.

The estimates, judgments and associated assumptions are based on **historical experience and other factors** that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are **reviewed on an ongoing basis**. Revisions to accounting estimates are recognised in the period in which the estimates are revised and, where applicable, in the future periods that are affected.

**i) Estimation of net realizable value for inventories:**

Inventory is stated at the lower of cost and net realizable value (NRV). NRV for completed inventory is assessed by reference to market conditions and prices existing reporting date and is determined by the Company, based on comparable transactions identified.

**ii) Recoverability of trade receivables:**

In case of trade receivables, the Company follows a simplified approach. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit less experience except for power receivables.

**iii) Useful lives of property, plant and equipment/intangible assets:**

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(iv) Valuation of Deferred Tax Assets/Liabilities:**

The Company reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period.

**(v) Defined benefit plans:**

The cost of the defined benefit gratuity plan and other post-employment benefits like leave Encashment and the present value of the gratuity obligation are determined using actual valuations. An actuarial valuation involves making various assumptions that may differ from actual developments.

in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(vi) Provisions, Contingent liabilities and Contingent assets:**

The timing of recognition and quantification of the provisions, contingent liabilities and contingent assets require the application of judgment to existing facts and circumstances which are subject to change on the actual occurrence or happening. Judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company and possible inflow of resources in respect of the claims made by the Company which has been considered to be contingent in nature. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

34. Previous year figures have been reclassified/regrouped/rearranged, wherever necessary, to be in conformity with this year's presentation.

For **SHRI PABHULINGESHWAR SUGARS  
AND CHEMICALS LIMITED**

As per Our Report of Even Date attached  
For **MAHENDRA H & CO.,**  
Chartered Accountants  
FRN- 021745S

**Sd/-**  
**JAGADEESH S. GUDAGUNTI**  
Chairman & Managing Director  
DIN: 00464873

**Sd/-**  
**V. J GUDAGUNTI**  
Executive Director & CFO  
DIN: 07578798

**Sd/-**  
**(MAHENDRA B.H.)**  
Proprietor  
(M.No. 224944)  
(PRC No. 017358)

**Sd/-**  
**N.G. SANADI**  
Director  
DIN: 00666766

**Sd/-**  
**M. C KOTI**  
Independent Director  
DIN 05203944

**Sd/-**  
**RAVEENDRAGOUDA G**  
Company Secretary  
M No. A 67512

**Sd/-**  
**VINOD KUMAR K**  
General Manager (F&A)

**Place: Siddapur**

**Date: 25<sup>th</sup> August 2025**