



31ST ANNUAL REPORT 2025-26 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 Mail | rta@bfsl.co.in / vp-rta@bfsl.co.in

BOARD OF DIRECTORS

❖ Shri Jagadeesh S. Gudagunti	- Chairman and Managing Director
❖ Shri Dharmalingayya J. Gudagunti	- Whole-time Director/Executive Director
❖ Shri Veerupakshayya J. Gudagunti	- Whole-time Director/Executive 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
❖ Smt. Pooja M. Hiremath	- Additional Director

KEY MANAGERIAL PERSONNEL

❖ Shri Jagadeesh S. Gudagunti	- Chairman and Managing Director
❖ Shri Veerupakshayya J. Gudagunti	- Whole-time Director & CFO
❖ Shri Dharmalingayya J. Gudagunti	- Whole-time Director
❖ 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
❖ The Cosmos Co-operative Bank, Belagavi	❖ HDFC Bank Bagalkot
❖ Basaveshwar Bank, Bagalkot	❖ Indian Bank Jamkhandi
❖ SPSP Sahakari Sangha Niyamit. Jamkhandi	❖ The South Canara DCC Bank Ltd., Mangalore

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
Nagappa G. Sanadi	Member
Jagadeeshgoud Patil	Member
Pooja M. Hiremath	Member

NOMINATION AND REMUNERATION COMMITTEE

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

Sugar Division

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 Vidyanand L. Hiremath	General Manager (A&I)
Shri M P Kulkarni	Chief Chemist (WTP)
Shri Prabhulingayya S. S	Deputy Chief Engineer

Distillery Division

Shri Jayant A Patil	General Manager (Prod)
Shri Shivukumat H B	General Manager (Environment)
Shri Kantappa I Korti	Asst. General Manager (Acct)

NOTICE

Notice is hereby given that the 31st Annual General Meeting ("AGM") of the Members of Shri Prabhulingeshwar Sugars and Chemicals Limited will be held on Monday, September 28th, 2026, 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.

ORDINARY BUSINESS:

1. Adoption of Financial Statements together with the Reports of the Directors & Auditors:

To consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2026, and the reports of the Board of Directors and Auditors thereon.

2. Appointment of Shri Sudheer S. Gudagunti (DIN | 00464901), who retires by rotation:

To appoint Shri Sudheer S. Gudagunti (DIN | 00464901), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

3. Appointment of Shri. Nagappa G. Sanadi (DIN 00666766), who retires by rotation:

To appoint Shri. Nagappa G. Sanadi (DIN 00666766), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

4. Appointment of Smt. Ishwari A. Gudagunti (DIN 07110658), who retires by rotation:

To appoint Smt. Ishwari A. Gudagunti (DIN 07110658), who retires by rotation at this Annual General Meeting and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

5. Revision in Remuneration of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) Whole-time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 200 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and in accordance with the provisions of the Articles of Association of the

Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and recommendation of the Board of Directors at its meeting held on 08th June, 2026, the Consent of the Members of the Company be and is hereby accorded for the revision in the remuneration payable to Shri Dharmalingayya J. Gudagunti (DIN: 00801770), Whole-time Director of the Company, with effect from 1st April, 2026 whereby his remuneration shall be revised to Rs. 10,00,000 /- (Rupees Ten Lakh only) per month, together with such perquisites, allowances and other benefits as may be applicable in accordance with the terms of his appointment and as approved by the Board of Directors from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the aforesaid remuneration shall be payable as minimum remuneration in accordance with the applicable provisions of Section 197 read with Schedule V to the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary or modify the terms and conditions relating to the remuneration, including perquisites and allowances, to the extent permissible under the provisions of the Companies Act, 2013 and Schedule V thereto, without requiring any further approval of the Members.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to execute such documents, filings and writings as may be necessary, proper or expedient to give effect to this resolution.”

6. To Approve the appointment of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) as the Managing Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s), amendment(s), re-enactment(s) or substitution(s) thereof for the time being in force, and in accordance with the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the Consent of the Members of the Company be and is hereby accorded for the appointment of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) as the Managing Director of the Company for a period of five (5) consecutive years commencing from 29th August 2026 and ending on 28th August 2031, on the terms and conditions, including remuneration, as set out below:

Basic Salary: Rs. 15,00,000/- (Rupees Fifteen Lakh only) per month, with effect from 01st September 2026.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Shri. Dharmalingayya J. Gudagunti as Managing Director, he shall be paid the aforesaid remuneration and other benefits, as minimum remuneration, in accordance with the applicable provisions of Section 197 read with Schedule V of the Companies Act, 2013, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company, including the Nomination and Remuneration Committee be and are hereby authorised to alter, vary, revise or modify the terms and conditions of appointment, remuneration and other benefits payable to Shri. Dharmalingayya J. Gudagunti, from time to time, within the overall limits approved by the Members and in accordance with the applicable provisions of the Companies Act, 2013 and Schedule V thereto, without requiring any further approval of the Members, except where such approval is specifically mandated under the Act or applicable law.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things and to execute all such documents, writings and filings, including filing of necessary e-forms with the Registrar of Companies and making such applications, filings or intimations with the concerned statutory and regulatory authorities, as may be necessary, expedient or desirable for giving effect to this Resolution.”

7. Regularisation of Additional Independent Director Smt. Pooja M. Hiremath (09790843) by appointing her 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 Smt. Pooja M. Hiremath (09790843), who was appointed as an Additional Director categorized as Non-Executive Independent Director of the Company w.e.f 08th June 2026 and who holds office till the conclusion of this 31st 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 June 08, 2026 to June 07, 2031;

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.”

8. To increase the Borrowing powers of the Company u/s Sec 180(1)(c) of the Companies Act 2013 up to Rs. 1500 Cr.

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

“RESOLVED THAT in supersession of all the resolution passed earlier and pursuant to the provisions of section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, the Consent of the Members of the Company be and is hereby accorded to borrow, enhance or avail loan facility for the general, working capital and such other corporate purposes, from time to time as the board may think fit, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs. 1500,00,00,000 Crores (Rupees One Thousand Five Hundred Crore Only) over and above aggregate of the paid-up capital of the Company and free reserves;

“RESOLVED FURTHER THAT for the purpose of giving effect to the above said resolution, any Director or person authorized by the Board in this regard be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to filling of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

9. Approval for appointment of Shri. Jagadeesh S. Gudagunti, Director to an office or place of profit

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

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Section 197(4) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and based on the prior approval of the Board and the Audit Committee and the opinion / recommendation of the Nomination and Remuneration Committee, the Consent of the Members be and is hereby accorded to the appointment of Shri. Jagadeesh S. Gudagunti, Non-Executive Director of the Company, to the office of Senior Advisor – for whole Sugar & Distillery Plants, Engineering and Operations of the Company, being an office or place of profit under Section 188(1)(f) of the Companies Act, 2013, for a period of five (5) years commencing from 1 September 2026 and in accordance with the scope and authority framework set out in the Service Agreement to be entered into between Shri. Jagadeesh S. Gudagunti Director and the Company.”

“FURTHER RESOLVED THAT the aggregate professional fees payable to Shri. Jagadeesh S. Gudagunti under the aforesaid appointment shall not exceed RS. 15,00,000/- (Rupees Fifteen Lakh Only) per month, and for Fy 2026-27, such annual cap shall apply on a proportionate basis as per the terms and conditions of the Service Agreement to be entered into between Shri. Jagadeesh S. Gudagunti and the Company.

“FURTHER RESOLVED THAT the Board of the Company be and is hereby authorized to vary, alter, or modify the terms and conditions of the said appointment including remuneration, from time to time, within the limits prescribed under the Companies Act, 2013, and as agreed between the Board and Shri. Jagadeesh S. Gudagunti.

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable, or expedient to give effect to this resolution, including but not limited to filing necessary forms with the Ministry of Corporate Affairs.”

10. Approval for appointment of Shri. Veerupakshayya J. Gudagunti, Director to an office or place of profit

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

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, Section 197(4) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and based on the prior approval of the Board and the Audit Committee and the opinion / recommendation of the Nomination and Remuneration Committee, the Consent of the Members be and is hereby accorded to the appointment of Shri. Veerupakshayya J. Gudagunti, Director of the Company, to the office of Advisor – for whole Sugar & Distillery Plants, Mechanical & Engineering along with Financing and Operations of the Company, being an office or place of profit under Section 188(1)(f) of the Companies Act, 2013, for a period of five (5) years commencing from 1 September 2026 and in accordance with the scope and authority framework set out in the Service Agreement to be entered into between Shri. Veerupakshayya J. Gudagunti Director and the Company.”

“FURTHER RESOLVED THAT the aggregate professional fees payable to Shri. Veerupakshayya J. Gudagunti under the aforesaid appointment shall not exceed Rs. 15,00,000/- (Rupees Fifteen Lakh Only) per month, and for Fy 2026-27, such annual cap shall apply on a proportionate basis as per the terms and conditions of the Service Agreement to be entered into between Shri. Veerupakshayya J. Gudagunti and the Company.

“FURTHER RESOLVED THAT the Board of the Company be and is hereby authorized to vary, alter, or modify the terms and conditions of the said appointment including remuneration, from time to time, within the limits prescribed under the Companies Act, 2013, and as agreed between the Board and Shri. Veerupakshayya J. Gudagunti.

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable, or expedient to give effect to this resolution, including but not limited to filing necessary forms with the Ministry of Corporate Affairs.”

11. Alteration of Object Clause and Capital Clause of the Memorandum of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 4, 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with the applicable rules made thereunder, and subject to such approvals, consents and permissions as may be required, the consent of the Members of the Company be and is hereby accorded for alteration of the Object Clause and Capital Clause of the Memorandum of Association (“MOA”) of the Company, consequent upon and in connection with the Scheme of Amalgamation of Siddapur Distilleries Limited (“Transferor Company”) with Shri Prabhulingeshwar Sugars and Chemicals Limited (“Transferee Company” or “Company”) and their respective Shareholders and Creditors, sanctioned by the Hon’ble National Company Law Tribunal, Bengaluru Bench (“NCLT”), whereby the undertaking, business, assets, properties, rights, liabilities and obligations of the Transferor Company have been transferred to and vested in the Company, and also to enable the Company to undertake additional businesses and activities in the renewable energy and allied sectors.

RESOLVED FURTHER THAT the existing Clause III (A) – “Main Objects” of the Memorandum of Association of the Company be and is hereby altered by incorporating the following additional objects, as appropriate to the Company’s post-merger business and proposed activities:

1. To carry on the business of manufacturers, refiners, producers, importers, exporters and dealers in cane sugar, beet sugar, starch sugar, gur, khandasari sugar and jaggery of all kinds and varieties and their bye- Products.
2. To Carry on the business of manufacturers, refiners, producers, importers, exporters and dealers in all kinds of sugar products, molasses, combustible fuel, yeast and other fermentation, organic and inorganic chemicals, starch, syrups, all alcoholic substances, acetone, spirits, sugar candy, glucose, confectionary and canned fruits.
3. To carry on the business of distilleries, brewers, malsters, compounders, rectifiers and dealers in all kinds of spirits and alcohol, liquors like rum, gin whisky, brandy and beer, special syrups, aerated waters, tinctures, essences, pharmaceutical and other chemicals preparations, chemical fertilizers, manures, boot polish, wax, power alcohol and the like.
4. To carry on the business of manufacturers and dealers in melada, bagasses, bagasse boards, paper, paper pulp, carbon dioxide, hydrogen, potash, cane wax, fertilizers and cattle feed.

5. * To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, trade, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborative or otherwise to deal in electronic power in all its branches at such place or places as may be permitted by appropriate authorities by establishment of Co-generation (Co-Gen) plants, briquetted fuels and other bio fuels, including unconventional resources like bio mass, bio mass along with coal as subsidiary at a percentage as may be prescribed by appropriate authority, environmental waste, wind, thermal, solar and tidal waves, hydraulic power plants, atomic power plants, and other power plants based on any source of energy as may be developed or invented in the future.
6. ***** To carry on in India or elsewhere the business to manufacture, produce, process, fermentate, mix, refine, import, export, manipulate, blend, compound, mix, clean, market, bottle, and to act as franchiser, job worker, wholesaler, retailer, distributor, stockiest, dealer, distiller, rectifier, metholator, brewer, master, maker of all types of distillery products like Alcohol, Ethanol, Extra Neutral Alcohol, Head Spirit, Fusel Oil, Bio-Methantation, Bio-compost, Industrial Alcohol and made of molasses, gur, sugarcanes, sugar beets, malt, yeast, barley, Soragum, Jawar, Maize, hops and other raw materials, commodities, goods or things and all other products, by-products, residues, ingredients, derivatives, and other root products related thereto and to do all other acts and things necessary for the attainment of the foregoing objects.
7. ***** To establish, develop, construct, acquire, own, operate and maintain CBG, Bio-CNG, biogas, biomethane, renewable natural gas, waste-to-energy, waste-to-fuel, biomass-to-energy and other renewable gas, fuel and energy projects, and to collect, procure, process, treat, digest, ferment, gasify, pyrolyse, purify, upgrade and convert sugarcane press mud, bagasse, cane trash, distillery spent wash, spent wash derivatives, treated effluents, agricultural and agro-industrial residues, biomass, organic, biodegradable and non-hazardous waste and other suitable feedstocks, into renewable gases, fuels, energy and useful products and by-products.
8. ***** To manufacture, produce, generate, recover, process, purify, upgrade, compress, liquefy, bottle, store, transport, distribute, market, sell, purchase, import, export and otherwise deal in CBG, Bio-CNG, biogas, biomethane, renewable natural gas, CNG, natural gas, LNG, LPG, hydrogen, syngas, producer gas, aviation fuels, SAF and other renewable and alternative fuels and energy products, and to establish and operate related processing, purification, upgrading, compression, liquefaction and allied facilities, and undertake renewable energy, carbon capture and utilisation, research, engineering, consultancy, technology and carbon credit activities, subject to applicable laws, licences and approvals.

RESOLVED FURTHER THAT consequent upon the Scheme of Amalgamation and the combination of the authorised share capital of Siddapur Distilleries Limited with the authorised share capital of the Company, the existing Clause V – “Capital Clause” of the Memorandum of Association of the Company be and is hereby altered and substituted with the following clause:

“V. The Authorised Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.”

RESOLVED FURTHER THAT the aforesaid alteration of the Object Clause of the Memorandum of Association is intended, inter alia, to appropriately reflect the businesses and objects of Siddapur Distilleries Limited vested in the Company pursuant to the Scheme of Arrangement sanctioned by the Hon'ble NCLT, and to enable the Company to undertake, develop and expand its proposed CBG, biogas, biomethane, renewable gaseous fuels and allied renewable energy activities, in addition to its existing business activities.

RESOLVED FURTHER THAT the existing clauses and sub-clauses of the Memorandum of Association shall be suitably renumbered, rearranged or re-designated, wherever necessary, consequent upon the aforesaid alteration.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to execute all such documents, deeds, writings and instruments as may be necessary, desirable or expedient for giving effect to this resolution.”

12. 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.2,00,000/- 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, 2027 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**

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

Place: Siddapur
Date: 29.08.2026

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, latest being Circular No. 03/2025 dated September 22, 2025 (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 31st AGM through VC or OAVM and the Notice of the AGM along with the Annual Report for FY 2025-26 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 with a copy marked to 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, 1st Cross, J. C. Road, Bangalore- 560 027. Ph. No. 080 41329661. E-mail: cs_rta@bfsi.co.in or 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 2025-26, 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 prabhusugar.csravi@gmail.com In case of any queries, members may write to BgSE Financials Limited, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore 560027. Ph. No. 080 41329661, E- mail: rta@bfsi.co.in or 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 25.09.2026 and will end at 05:00 P.M. (IST) on 27.09.2026. 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 18.09.2026, 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, latest being Circular No. 03/2025 dated September 22, 2025 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.

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 25.09.2026 and will end at 05:00 P.M. (IST) on 27.09.2026. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18.09.2026 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.
 - 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 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 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.
 - 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 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; prabhusugar.csravi@gmail.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=m84f93b66820de8ac1040a258778e11bd> 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 prabhusugar.csravi@gmail.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 prabhusugar.csravi@gmail.com / cs_rta@bfsi.co.in / 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 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 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.
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 15.09.2026 to 17.09.2026.

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. 5 to 12.

Item No. 5

Revision in Remuneration of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) Whole-time Director

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 and Members approval he was appointed as the Whole-time Director to be designated as Executive Director of the Company for a period of five (5) years with effect from 08th July, 2025, without any remuneration.

During the month of January 2026 Company has received approval for Merger between Siddapur Distilleries Limited and Shri Prabhulingeshwar Sugars and Chemicals Limited vide Order No. CP.(CAA) No. 10/BB/2025 from Hon'ble NCLT Bengaluru, and thereby Board and Committees accorded for regularising the pay Rs. 10,00,000 (Ten Lakh Only) effective from 01st April 2026 subject to approval of Members at this ensuing Annual General Meeting.

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 1,11,04,320 Equity Shares, constituting 11.37% of the total equity share capital of the Company.

The Board of Directors recommends the resolution in relation to revision of remuneration to Shri. Dharmalingayya J. Gudagunti as Whole-time Director, designated as Executive Director.

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. 5 of the Notice.

Your Board recommends the resolution for your approval as an Special 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)

PARTICULARS	Fy 2025-26	Fy 2024-25
Total Revenue	98,163.69	83,170.15
Profit / Loss Before Tax (PBT)	2,323.95	2,028.19
Net Profit (PAT)	1,465.70	1,348.54

- (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 and committee has recommended revision in remuneration to the extent Rs. 10 Lakh Per Month.
- (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 31.03.2026. Shri. Dharmalingayya J. Gudagunti holds 1,11,04,320 Equity Shares Rs. 10 each constituting 11.37% of total Equity Share Capital of the Company.

Item No. 6

To Approve the appointment of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) as the Managing Director of the Company

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 and Members approval he was appointed as the Whole-time Director to be designated as Executive Director of the Company for a period of five (5) years with effect from 08th July, 2025, without any remuneration.

Pursuant to the approval of Amalgamation / Merger between Siddapur Distilleries Limited and Shri Prabhulingeshwar Sugars and Chemicals Limited vide Order No. CP.(CAA) No. 10/BB/2025 received from Hon'ble NCLT Bengaluru, and Shri. Dharmalingayya J. Gudagunti who has served as Whole time office as Executive Director at Distillery unit for many years and now with immense of knowledge and experience at sugar industry as well the Nomination and Remuneration Committee and Board recommended for appointing him as Managing Director for a period of 5 years effective from 29th August 2026 and ending on 28th August 2031 at a Remuneration of Rs. 15,00,000 (Fifteen Lakh Only) per Month.

Shri. Dharmalingayya J. Gudagunti has also 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 1,11,04,320 Equity Shares, constituting 11.37% of the total equity share capital of the Company.

The Board of Directors recommends the resolution in relation to appointment of Shri. Dharmalingayya J. Gudagunti as Managing Director and to fix his remuneration.

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. 6 of the Notice.

Your Board recommends the resolution for your approval as an Special 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

- (6) 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.
- (7) Date or expected date of commercial production: The company was incorporated in the year 1995 and commercial production commenced in 1999.
- (8) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (9) Financial performance based on given indicators: (Rs. In Lakhs)

PARTICULARS	Fy 2025-26	Fy 2024-25
Total Revenue	98,163.69	83,170.15
Net Profit / Loss Before Tax (PBT)	2,323.95	2,028.19
Net Profit (PAT)	1,465.70	1,348.54

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

(II) Information about the appointee

- (2) 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: 10,00,000/- Per Month
- (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 and committee has recommended the remuneration to the extent Rs. 15 Lakh Per Month.
- (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 31.03.2026. Shri. Dharmalingayya J. Gudagunti holds 1,11,04,320 Equity Shares Rs. 10 each constituting 11.37% of total Equity Share Capital of the Company.

Item No. 7

Regularisation of Additional Independent Director Smt. Pooja M. Hiremath (09790843) by appointing her as an Independent Director of the Company.

Smt. Pooja M. Hiremath (09790843) earlier served as Independent Director at Siddapur Distilleries Limited and recently appointed as an Additional Independent Director of the Company at the Board Meeting held on 08th June, 2026, 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 Smt. Pooja M. Hiremath 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 Smt. Pooja M. Hiremath 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. 7 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. 7 of the Notice.

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

Brief Profile of Smt. Pooja M. Hiremath:

Smt. Pooja M. Hiremath, aged 46 years, who have served as independent Director at Siddapur Distilleries Limited a Group entity before and holds a Master of Commerce (M. Com) Post Graduate Degree and possesses valuable experience in the areas of finance, accounting, corporate governance and business administration. During her tenure as an Independent Director of Siddapur Distilleries Limited, she made significant contributions to the affairs of the Company and provided valuable guidance on governance and strategic matters. Her knowledge of the sugar, distillery and ethanol industries would be beneficial to the Company. Considering her qualifications, experience, integrity and valuable contribution, it was proposed to appoint her as an Independent Director (Non-Executive) of the Company, subject to the approval of the Shareholders.

Keeping in view of her vast expertise and knowledge in accounting, law, compliances and financial analysis, it is proposed by the Management of the Company that Smt. Pooja M. Hiremath be appointed as an Independent Director of the Company under Non-Executive Category.

She 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 Smt. Pooja M. Hiremath herself, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

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

Item 8:

To increase the Borrowing powers of the Company u/s Sec 180(1)(c) of the Companies Act 2013 up to Rs. 1500 Cr.

Shri Prabhulingeshwar Sugars and Chemicals Limited has undergone amalgamation with Siddapur Distilleries Limited pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Bengaluru Bench, vide its Order dated 30th January 2026, with the Appointed Date being 1st April 2025.

Pursuant to the said Scheme of Amalgamation, the assets, properties, liabilities, obligations, borrowings, loans, financial facilities and other undertakings of Siddapur Distilleries Limited have been transferred to and vested in the Company in accordance with the terms of the Scheme and applicable provisions of law.

Consequent to the aforesaid amalgamation, the existing borrowings and financial commitments of the Transferor Company have become part of the borrowings and liabilities of the Company. Accordingly, the existing borrowing limits of the Company may not be adequate to accommodate the borrowings and financial facilities so vested pursuant to the amalgamation, together with the Company's existing and future borrowing requirements.

Further, considering the nature and scale of operations of the Company, including its sugar, distillery, ethanol, co-generation and allied business activities, the Company requires adequate financial flexibility to meet its working capital requirements, capital expenditure, modernization and expansion requirements, repayment/refinancing of existing borrowings and other general corporate purposes.

In order to facilitate the effective implementation of the Scheme of Amalgamation and to ensure that the Company has adequate borrowing capacity to meet its present and future financial requirements, it is proposed to increase the borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013, so that the aggregate amount of monies borrowed by the Company, together with the monies already borrowed, may exceed the aggregate of the paid-up share capital and free reserves of the Company, subject to an overall limit of Rs. 1,500 Crore (Rupees One Thousand Five Hundred Crore Only).

The proposed borrowing limit shall provide the Company with the necessary financial flexibility to avail loans, credit facilities and other borrowings from banks, financial institutions, bodies corporate or other lenders, as may be considered necessary by the Board of Directors from time to time, for the Company's business and Corporate requirements.

The proposed resolution is therefore being placed before the Members for their approval as a Special Resolution pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013.

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. 8 of the Notice.

Item No. 9

Approval for appointment of Shri. Jagadeesh S. Gudagunti, Director to an office or place of profit

Shri. Jagadeesh S. Gudagunti (DIN | 00464873) Chairman of the group has been associated with the Company since inception i.e for over 31 years and has over 50 years of experience in the field of Sugar Industry, Distillery industry and Engineering, drafting and operations of the factory. He was a president and fellow member of many sugar Institutes across India. Shri. Jagadeesh S. Gudagunti served as Chairman and Managing Director of the Company until. and is continuing as Chairman and Director on the Board as a Non-Executive Director with effect from 29th August 2026.

Having regard to Shri. Jagadeesh S. Gudagunti long-standing association with the Company, his engineering knowledge of the Company's business and affairs, his professional qualifications and his experience in the relevant functional areas, the Board of Directors at its meeting held on 29th August 2026, based on the prior approval of the Audit Committee and the opinion and recommendation of the Nomination and Remuneration Committee, approved the appointment of Shri. Jagadeesh S. Gudagunti to the office of Chairman and Director being an office or place of profit under Section 188(1)(f) of the Companies Act, 2013, with effect from 01st September 2026, for a period of five (5) years, at professional fees/remuneration not exceeding Rs. 15,00,000/- (Indian Rupees Fifteen Lakh only) per month, subject to approval of the Members by ordinary resolution.

The company will enter into a Service Agreement with Shri. Jagadeesh S. Gudagunti, a copy of which is available for inspection at the registered office of the company.

Disclosures required as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

- a) Name of the related party: Shri. Jagadeesh S. Gudagunti
- b) Name of the director or key managerial personnel who is related, if any: Shri Dharmalingayya J Gudagunti, Shri. Veerupakshayya J Gudagunti, Shri. Rajendrakumar S. Gudagunti & Sudheer S Gudagunti.
- c) Nature of relationship: Father and Brother, is a Non-Executive Director of the Company, having continued on the Board upon completion of his term as Managing Director.
- d) Nature, material terms, monetary value and particulars of the contract or arrangements: He is a Non-Executive Director and chairman proposed to be appointed to an office or place of profit as Senior Advisor – Sugar and Distillery plants, Engineering, and operations of the factory under a professional service arrangement for a period of five (5) years commencing from 01st September 2026. The role shall involve continuing and function-specific advisory, review, guidance, coordination and functional input support in relation to finance, operations, engineering, production and all other corporate advisory matters of the Company, in accordance with the scope of work and authority framework set out at the agreement.

The total monetary value of this arrangement shall be an aggregate professional fee not exceeding Rs. 15,00,000 (Rupees Fifteen Lakh only) per month.

- e) any other information relevant or important for the members to take a decision on the proposed resolution.: NIL

This appointment of Shri. Jagadeesh S. Gudagunti, Director to an office or place of profit requires the consent and approval of the members by way of ordinary resolution. Accordingly, the said resolution is placed before the members as Ordinary resolution for their consent and approval.

Except Shri. Jagadeesh S. Gudagunti and his relatives, to the extent of their shareholding or interest, if any, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested (financially or otherwise) in the

proposed resolution. The concerned related party members shall abstain from voting on this resolution to the extent required under Section 188 of the Companies Act, 2013.

Item No. 10

Approval for appointment of Shri. Veerupakshayya J. Gudagunti, Director to an office or place of profit

Shri. Veerupakshayya J. Gudagunti (DIN | 07578798) the director has been associated with the Company over 07 years and has almost 9 years of experience in the field of Sugar Industry, Distillery industry and Finance, and operations, along with mechanical and engineering in the factory. He was a Whole Time Director and also promoter for many other sugar factories across Karnataka and Maharashtra. Shri. Veerupakshayya J. Gudagunti served as Executive Director of the Company until and is continuing as Director on the Board as a Non-Executive Director with effect from 29th August 2026.

Having regard to Shri. Veerupakshayya J. Gudagunti long-standing association with the Company, his knowledge in financing, operating and engineering and production operations of the Company's business and affairs, his professional qualifications and his experience in the relevant functional areas, the Board of Directors at its meeting held on 29th August 2026, based on the prior approval of the Audit Committee and the opinion and recommendation of the Nomination and Remuneration Committee, approved the appointment of Shri. Veerupakshayya J. Gudagunti to the office of Chairman and Director being an office or place of profit under Section 188(1)(f) of the Companies Act, 2013, with effect from 01st September 2026, for a period of five (5) years, at professional fees/remuneration not exceeding Rs. 15,00,000/- (Indian Rupees Fifteen Lakh only) per month, subject to approval of the Members by ordinary resolution.

The company will enter into a Service Agreement with Shri. Veerupakshayya J. Gudagunti, a copy of which is available for inspection at the registered office of the company.

Disclosures required as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

- a) Name of the related party: Shri. Veerupakshayya J. Gudagunti
- b) Name of the director or key managerial personnel who is related, if any: Shri Jagadeesh S. Gudagunti, Shri Dharmalingayya J Gudagunti, Shri. Rajendrakumar S. Gudagunti & Sudheer S Gudagunti.
- c) Nature of relationship: Father, Brother & Uncles, are Directors of the Company, having continued on the Board upon completion of his term as Executive Director.
- d) Nature, material terms, monetary value and particulars of the contract or arrangements: He is a Non-Executive Director proposed to be appointed to an office or place of profit as Advisor – Sugar and Distillery plants, Financing, Engineering, and production operations of the factory under a professional service arrangement for a period of five (5) years commencing from 01st

September 2026. The role shall involve continuing and function-specific advisory, review, guidance, coordination and functional input support in relation to finance, operations, engineering, production and all other corporate advisory matters of the Company, in accordance with the scope of work and authority framework set out at the agreement.

The total monetary value of this arrangement shall be an aggregate professional fee not exceeding Rs. 15,00,000 (Rupees Fifteen Lakh only) per month.

e) any other information relevant or important for the members to take a decision on the proposed resolution.: NIL

This appointment of Shri. Veerupakshayya J. Gudagunti, Director to an office or place of profit requires the consent and approval of the members by way of ordinary resolution. Accordingly, the said resolution is placed before the members as Ordinary resolution for their consent and approval.

Except Shri. Veerupakshayya J. Gudagunti and his relatives, to the extent of their shareholding or interest, if any, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested (financially or otherwise) in the proposed resolution. The concerned related party members shall abstain from voting on this resolution to the extent required under Section 188 of the Companies Act, 2013.

Item No. 11

Alteration of Object Clause and Capital Clause of the Memorandum of Association of the Company

the Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT"), vide its Order dated 30 January 2026, sanctioned the Scheme of Amalgamation of Siddapur Distilleries Limited ("Transferor Company") with Shri Prabhulingeshwar Sugars and Chemicals Limited ("Transferee Company" or "Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme became effective on 24th March 2026 upon completion of the requisite statutory formalities and filing of the order with the Registrar of Companies, Karnataka. The appointed date of the Scheme was 1 April 2025.

Pursuant to the Scheme, the undertaking, business, assets, properties, rights, liabilities, obligations, contracts, licences, approvals and employees of the Transferor Company, to the extent provided under the Scheme, have been transferred to and vested in the Company. Consequently, the distillery undertaking and related business activities of Siddapur Distilleries Limited have become part of the business of the Company.

In view of the aforesaid amalgamation, it is considered appropriate and necessary to suitably alter the Object Clause of the Memorandum of Association ("MOA") of the Company so as to appropriately reflect the distillery-related businesses and activities vested in the Company pursuant to the Scheme and to enable the Company to undertake, develop and expand its

business in the areas of distillery products, ethanol, alcohol, fermentation products, bio-methanation, bio-compost and other allied products.

Further, the Company proposes to undertake and develop activities in the field of Compressed Biogas (CBG), Bio-CNG, biogas, biomethane, renewable natural gas, waste-to-energy, waste-to-fuel, biomass-to-energy and other renewable and alternative fuels and energy, including utilisation of sugarcane press mud, bagasse, distillery spent wash and other agricultural, agro-industrial, organic, biodegradable and non-hazardous waste and suitable feedstocks.

Accordingly, it is proposed to alter the existing Clause III (A) – “Main Objects” of the MOA by incorporating the additional objects as set out in the proposed Special Resolution.

Further, pursuant to the Scheme of Amalgamation, the authorised share capital of Siddapur Distilleries Limited, amounting to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each, was combined with the authorised share capital of the Company.

Consequently, the authorised share capital of the Company has been increased from Rs. 110,00,00,000/- (Rupees One Hundred and Ten Crores only) to Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only), divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Accordingly, it is proposed to alter and substitute the existing Clause V – “Capital Clause” of the MOA to reflect the revised authorised share capital of the Company. The proposed alterations to the Object Clause and Capital Clause are intended to align the MOA of the Company with the Company's post-amalgamation business activities and authorised share capital, and to provide an appropriate constitutional framework for carrying on and expanding the Company's existing and proposed businesses.

The Board of Directors, at its meeting held on 29th August 2026, considered and approved the proposed alteration of the Object Clause and Capital Clause of the MOA and recommends the resolution set out at Item No. 1 of the accompanying Notice for approval of the Members by way of a **Special Resolution**.

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

The documents relating to the proposed alteration of the MOA, including the existing and proposed Object Clause and Capital Clause, are available for inspection by the Members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting and will also be available for inspection at the AGM.

Item No. 12

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

The Board of Directors of the Company, at its meeting held on August 29, 2026, 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, 2027.

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. 12 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. 12 of the Notice.

The Board recommends the resolution set out in Item No. 12 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: 29.08.2026

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

Annual Report 2025-2026

Annexure to the Notice Details of Directors seeking Appointment/Re-appointment <i>Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>			
Sl. No.	Particulars	Name of the Director	
		Shri. Sudheer S. Gudagunti	Shri. Nagappa G. Sanadi
1.	DIN	00464901	00666766
2.	Date of birth and Age	23/03/1963 Age: 63	19/01/1951 Age: 75
3.	Qualification	Graduate	SSLC
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 Educational Institutions and Sugar Industry. Gained great Exposure in harvesting Sugar Cane and other agriculture products.
5.	Brief Profile	Shri. Sudheer 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. Nagappa G. Sanadi 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.
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)
7.	Nature of appointment (appointment/re-appointment)	Appointment.	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
9.	Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and	As mentioned in the explanatory statement above	As mentioned in the explanatory statement above

Annual Report 2025-2026

Annexure to the Notice Details of Directors seeking Appointment/Re-appointment <i>Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>			
Sl. No.	Particulars	Name of the Director	
		Shri. Sudheer S. Gudagunti	Shri. Nagappa G. Sanadi
	the remuneration last drawn by such person		
10.	Date of first appointment on the Board	25/05/1995	21/05/1997
11.	Shareholding in the company including shareholding as a beneficial owner;	Holding 11,49,534 No of Equity Shares constituting 1.18% of total Capital	Holding 77,001 No of Equity Shares constituting 0.08% of total Capital
12.	The number of Meetings of the Board attended during FY 2025 - 2026	6 out of 6	6 out of 6
13.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	NA	NA
14.	Directorship Details of the Board	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	Member of Audit, NRC & CSR Committee
16.	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board.	NA	NA
17.	Names of listed entities from which the person has resigned in the past three years	NA	NA

Annual Report 2025-2026

Annexure to the Notice Details of Directors seeking Appointment/Re-appointment <i>Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>			
Sl. No.	Particulars	Name of the Director	
		Smt. Ishwari A. Gudagunti	Smt. Pooja M. Hiremath
1	DIN	07110658	09790843
2.	Date of birth and Age	01/03/1989 Age: 37	05/08/1980 Age: 46
3.	Qualification	Qualified Chartered Accountant	M. Com
4.	Experience and expertise in specific functional areas	Required experience in the field of accounting, compliance and business along with expertise knowledge in Sugar Industry.	Required experience in the field of accounting, compliance, economic affairs and business along with expertise knowledge in Sugar Industry.
5.	Brief Profile	Smt. Ishwari A. Gudagunti is a qualified chartered accountant and proud family member of Gudagunti family having immense knowledge and control over industrial matters and who also runs independent practice of accounting works.	Smt. Pooja M. Hiremath is an independent Director who has qualified the required examination and M Com graduate having immense knowledge at Financing, Accounting and compliance matters.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Daughter in law of Sudheer Gudagunti and Shri. Jagadeesh S. Gudagunti (Directors of the Company)	Na
7.	Nature of appointment (appointment/re-appointment)	Appointment.	Regularizing as Independent Director
8.	Terms and Conditions of appointment / re-appointment	Appointment as Non-Executive Women Director and subject to retirement by rotation	Appointment as Non-Executive Director
9.	Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As mentioned in the explanatory statement above	As mentioned in the explanatory statement above

Annual Report 2025-2026

Annexure to the Notice Details of Directors seeking Appointment/Re-appointment <i>Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]</i>			
Sl. No.	Particulars	Name of the Director	
		Smt. Ishwari A. Gudagunti	Smt. Pooja M. Hiremath
	and the remuneration last drawn by such person		
10.	Date of first appointment on the Board	31/03/2015	08/06/2026
11.	Shareholding in the company including shareholding as a beneficial owner;	NA	NA
12.	The number of Meetings of the Board attended during FY 2024-25	6 out of 6	NA
13.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	NA	NA
14.	Directorship Details of the Board	1) Not interested in any other Companies	Not interested in any other Companies
15.	Membership / Chairmanship of Committees of other Boards	NA	NA
16.	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board.	NA	NA
17.	Names of listed entities from which the person has resigned in the past three years	NA	NA

DIRECTORS' REPORT

Dear Member(s),

Your Directors have pleasure in presenting the 31st Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2026:

1. Financial Highlights

Operating Results:

(Rs. In Lakhs)

Sl. No	Particulars	2025-26	2024-25
1.	Revenue from Operations	98,163.69	83,170.15
2.	Other Income	732.94	440.74
3.	Total Income	98,896.62	83,610.90
4.	Operating Profit	18,039.09	12,742.26
5.	Interest & Processing Charges	12,471.73	8,914.70
6.	Depreciation	3,194.24	1,799.36
7.	Net Profit After Tax	1,465.70	1,348.54
8.	Earnings Per Share (Rs.)	1.50	2.89
9.	Share Capital	9767.24	4,661.86
10.	Net Worth	10,704.00	9577.20

PRODUCTION PERFORMANCE - SUGAR DIVISION

(Season-wise)

Sl No.	Particulars	2025-26	2024-25
1	Sugarcane Crushed (MT's)	17,09,121.58	17,61,150.88
2	Sugar Produced (Qtls)	15,57,400	14,94,100.00
3	Overall Recovery (%)	11.55	10.74%
4	Export of Sugar (Qtls)	87,310	54,700.00

(Financial year wise)

Sl No.	Particulars	2025-26	2024-25
1	Sugarcane Crushed (MT's)	1709121.58	17,78,715.54
2	Sugar Produced (Qtls)	1561000	15,13,150.00
3	Only Sugar Bagging Recovery (%)	11.55	8.50%
4	Export of Sugar (Qtls)	87,310	54,700.00

CO-GEN POWER DIVISION

SI No.	PARTICULARS	2025-26	2024-25
1	Power Exported (Units)	5,28,56,825	5,09,50,550
2	Power Average rate (PU)	Rs. 4.19	Rs. 4.45
3	Total Value (Rs)	22,14,70,096.75	22,65,17,357

PRODUCTION PERFORMANCE - DISTILLERY DIVISION

SI No.	PARTICULARS	2025-26	2024-25
1	Ethanol (Bls)	359,40,000	262,26,136
2	Average rate per Bl	62.16	62.36
3	Total Value (Rs)	223,41,67,480	163,54,05,169

SI No.	PARTICULARS	2025-26	2024-25
1	E N A (Bl)	1,22,55,000	1,10,20,000
2	Average rate per Bl	62.95	63.14
3	Total Value (Rs)	77,14,00,000	69,58,36,250

2. Industrial Scenario:

The Indian economy continued to demonstrate resilient growth during FY 2025–26, supported by strong domestic demand, healthy agricultural output, public capital expenditure and improving industrial activity. Real GDP growth is estimated at 7.7%, while inflation remained well contained. Going forward, the Indian economy is expected to maintain its growth momentum, with real GDP projected to grow further in Fy 2026-27, supported by government spending, private consumption, credit growth and structural reforms.

Karnataka continued to remain one of the leading sugar-producing states in India during the sugar season 2025–26. The State witnessed an improvement in sugar production compared with the previous season, with sugar production reaching approximately 48.01 lakh tonnes as on 30 April 2026, against 40.40 lakh tonnes in the corresponding period of the previous year. However, weather variations and uneven rainfall affected cane yields in certain regions and during ethanol supply year 2025 – 26, concerns were raised regarding lower / disproportionate allocation of ethanol to certain Karnataka-based distilleries by Oil Marketing Companies, resulting in reduced ethanol production.

Against this backdrop, the Company continued to perform steadily and crushed 17.09 lakh MT of sugarcane and achieved sugar bagging of 15.61 lakh quintals. The Company also produced 359.40 lakh BLS of ethanol during the year. The Company continues to focus on operational efficiency, optimum utilisation of sugarcane and by-products, and strengthening its integrated sugar and ethanol operations.

BUSINESS OPERATIONS OVERVIEW

During the year under review, the Board of Directors of Siddapur Distilleries Limited ("Transferor Company") and Shri Prabhulingeshwar Sugars and Chemicals Limited ("Transferee Company") decided to consolidate their businesses and corporate structure with a view to achieving operational and administrative synergies, reducing duplication of costs and compliances, optimising the benefits available under the GST framework, and enabling better utilisation of resources and management.

The Hon'ble National Company Law Tribunal, Bengaluru Bench, vide its Order dated 30 January 2026, sanctioned the Scheme of Amalgamation of Siddapur Distilleries Limited with Shri Prabhulingeshwar Sugars and Chemicals Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Upon amalgamation, Siddapur Distilleries Limited has been merged into Shri Prabhulingeshwar Sugars and Chemicals Limited, resulting in the consolidation of the Company's sugar and distillery operations and strengthening its operational and financial synergies. Consequent to the amalgamation, the Company has become an entity with an asset size of Rs. 208,392.83 lakhs as at 31 March 2026.

3. State of the Company's Affairs

During the financial year 2025-2026 on a consolidated basis, your Company has recorded a turnover of Rs. 98,163.69 Lakhs and earned a net profit of Rs. 1,465.70 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, 2026.

5. Dividend

The Board of Directors have not recommended any dividend for the financial year 2025-26.

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 year under review, pursuant to the approval of the Scheme of Amalgamation, the authorised share capital of Siddapur Distilleries Limited, amounting to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each, was combined with the authorised share capital of the Company.

Consequently, the authorised share capital of the Company stood increased at Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The paid-up share capital of the Company stood reduced to Rs. 37,42,67,950/-, comprising 3,74,26,795 equity shares of Rs. 10/- each, pursuant to the cancellation of 91,91,800 equity shares, representing 19.72% of the shareholding of the Company, held by Siddapur Distilleries Limited, being the cross-holding shares cancelled pursuant to the Scheme of Amalgamation.

Further, 6,02,45,588 equity shares of Rs. 10/- each, aggregating to Rs. 60,24,55,880/-, were pending for allotment as merger consideration to the eligible shareholders of the Transferor Company in accordance with the Scheme of Amalgamation. The said 6,02,45,588 equity shares were subsequently allotted by the Company on 8th June 2026 to the eligible shareholders of the Transferor Company and initiated the requisite corporate action with NSDL for action.

9. Directors

During the year under review, the designation of Shri. Dharmalingayya J. Gudagunti (DIN: 00801770) was changed, and he was appointed as Whole-time Director, to be designated as Executive Director, with effect from 8th July 2025.

Except for the aforesaid change, there was no change in the composition of the Board of Directors of the Company during the financial year ended 31st March 2026.

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. Dharmalingayya J. Gudagunti	- Whole -Time Director
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: May 30, 2025, July 08, 2025, August 25, 2025, October 25, 2025, December 20, 2025, and February 23, 2026.

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	4
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	6	6
Smt. Ishwari A. Gudagunti	6	6
Shri. Santosh S Gudagunti	4	4

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

During the year under review, Company has not made any Loans, Guarantees, Investments and complied with the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

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, 2026, in prescribed **Form AOC-2** is annexed to this Board's Report as **Annexure - 1**

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/>

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 - 2**.

16. Audit Committee

During the financial year ended March 31, 2026, Four (4) Audit Committee meetings were held on the following dates: May 30, 2025, August 25, 2025, October 25, 2025, and December 20, 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	4	4
Shri. Nagappa G. Sanadi	Member	4	4
Shri. Jagadeeshgoud Patil	Member	4	4

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, 2026, One (1) Nomination and Remuneration Committee meetings was held on July 08, 2025.

Composition, Names of members & Chairperson and Attendance at Meetings

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Shri. Mallappa Chinnappa Koti	Chairman	1	1
Shri. Jagadeesh gouda Patil	Member	1	1
Shri. Nagappa G. Sanadi	Member	1	1

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. 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 - 3** and forms part of this Report.

During Fy 2025-26 the Company was required to spend an amount of Rs. 4,273,428/- 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. 4,799,159/- 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, 2026, One (01) Corporate Social Responsibility Committee meetings were held on December 20th, 2025.

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 February 02nd, 2026.

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, 2026, 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, 2026, 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.

Further, consequent upon the amalgamation of Siddapur Distilleries Limited with the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, the accounting treatment arising from the amalgamation has been carried out in accordance with the provisions of Accounting Standard (AS) 14 – Accounting for Amalgamations, as applicable to the Company, and the applicable provisions of the Companies Act, 2013.

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 February 23rd, 2026, 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 and Shri Jagadeeshgoud Patil, Independent Directors of the Company have already cleared the Online Proficiency Self-Assessment Test conducted by the Indian Institute of Corporate Affairs (IICA).

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 27th Annual General Meeting of the Company held on September 26, 2022, to hold office till the conclusion of the 32th 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 2027. 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, 2026.

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, 2026.

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 - 4**. 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, 2026.

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, 2026 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, 2026, 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.

35. Reporting Frauds by Auditors

During the year under review, certain instances involving manipulation of sugarcane weighment were noticed in the operations of the Company. Based on the investigation conducted by the management, the matter involved certain employees of weighbridge department and several H & T Contractors and resulted in an estimated financial impact of Rs. 42.64 lakh.

The management has taken the matter seriously and has undertaken appropriate investigation and corrective measures. Necessary disciplinary and legal action, as considered appropriate, has been initiated against the persons responsible. The Company has also strengthened the relevant internal controls and monitoring mechanisms relating to sugarcane weighment, procurement and related processes to prevent recurrence of such incidents.

The matter was duly brought to the attention of the Audit Committee and Board of Directors, as applicable, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

The Statutory Auditors have reported the above matter under Clause 3(xi) of the Companies (Auditor's Report) Order, 2020 (CARO 2020) in their Report. As stated by the Statutory Auditors, the amount involved was below the threshold prescribed under Section 143(12) of the Companies Act, 2013, and accordingly, no report in Form ADT-4 was required to be filed with the Central Government.

The Board has taken note of the observations of the Statutory Auditors and is committed to maintaining robust internal controls, strengthening monitoring mechanisms and ensuring that appropriate preventive measures are implemented to safeguard the interests of the Company and its stakeholder.

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 - 5**

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 Tally) 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

Pursuant to the Scheme of Amalgamation the distillery undertaking and related business operations of Siddapur Distilleries Limited were amalgamated with and vested in the Company with effect from 24th March 2026, being the Effective Date of the Scheme.

Consequently, the business activities of the Company have been expanded to include the distillery business, manufacture and production of ethanol and other allied products, along with the existing business activities of sugar manufacturing and cogeneration of power.

Accordingly, there has been a change in the nature and scope of business of the Company during the year under review pursuant to the aforesaid amalgamation.

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. The details of difference between amount of the valuation done at the time of One-Time Settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.

There was no difference in the valuation of the assets of the Company between the valuation undertaken at the time of the One-Time Settlement (OTS) with the lenders and the valuation considered while availing loans from banks/financial institutions. Accordingly, no reconciliation or explanation for any difference in valuation is applicable.

44. Material changes and commitments

The following is the gist of material change affecting the financial position of the Company that has occurred between the end of the financial year to which the financial statements relate and the date of this report:

Scheme of Amalgamation

The Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT"), vide its Order dated 30 January 2026, approved the Scheme of Amalgamation of Siddapur Distilleries Limited ("Transferor Company") with Shri Prabhulingeshwar Sugars and Chemicals Limited

("Transferee Company" or "Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Company has duly filed the E-form INC-28 with the jurisdictional Registrar of Companies, Karnataka, and the Scheme became effective on 24th March 2026 ("Effective Date"). The appointed date of the amalgamation is 1 April 2025 ("Appointed Date").

Pursuant to the Scheme of Amalgamation, the Company has duly allotted equity shares to the eligible shareholders of the Transferor Company in accordance with the share exchange ratio and the terms of the Scheme and has completed the requisite corporate action with the NSDL Authority in connection therewith.

Further, pursuant to the provisions of the Scheme, 91,91,800 (Ninety-One Lakhs Ninety-One Thousand Eight Hundred) equity shares held by Siddapur Distilleries Limited in the Company, representing 19.72% of the equity share capital of the Company, being cross-holding, were cancelled/extinguished in accordance with the Scheme.

The amalgamation also resulted in the increase in the authorised share capital of the Company consequent upon the combination of the authorised share capital of Siddapur Distilleries Limited with that of the Company, in accordance with the provisions of the Scheme.

Accordingly, the authorised share capital of the Company increased from Rs. 110,00,00,000/- (Rupees One Hundred and Ten Crores only) to Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only), comprising 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Consequently, the Capital Clause of the Memorandum of Association of the Company was altered to give effect to the revised authorised share capital. The amended Capital Clause reads as follows:

"5th (a) The Authorised Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores only) divided into 12,00,00,000 (Twelve Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each."

45. 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.

46. 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.

47. 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 - 6.**

48. 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.

49. 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.

50. 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.

51. Compliance with Secretarial Standards

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

52. 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/-
Dharmalingayya J. Gudagunti
Executive Director
DIN | 00801770

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

Place: Siddapur
Date: 29.08.2026

Annexure – 1

Form No. AOC-2

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) 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, 2026, 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, 2026, 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
Gudagunti Sugars & Bioenergies Pvt. Ltd.	Group Entity	Investment in Preference Shares	365 Days	N.A.	30.05.2025	NIL	Strategic investment
Gudagunti Sugars & Bioenergies Pvt. Ltd.	Group Entity	Sale of Scrap	365 Days	At agreed value	30.05.2025	NIL	Sale of goods in the ordinary course of business
Gudagunti Sugars & Bioenergies Pvt. Ltd.	Group Entity	Purchase of Molasses	365 Days	6552 MT @ ₹13,604/- per MT + applicable taxes	30.05.2025	NIL	Sale of goods in the ordinary course of business
Gudagunti Sugars & Bioenergies Pvt. Ltd.	Group Entity	Purchase of Bagasse	365 Days	924.79 MT @ ₹2,857.15/- per MT + applicable taxes	30.05.2025	NIL	Sale of goods in the ordinary course of business

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Extract Engineering, Dharwad	Group Entity	Purchase of Plant & Machinery	365 Days	At agreed value	30.05.2025	NIL	Purchase in the ordinary course of business
Gudagunti Infra Tech Pvt Ltd	Group Entity	Purchase of Plant & Machinery	365 Days	At agreed value	30.05.2025	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: 29.08.2026

Sd/-
Dharmalingayya J. Gudagunti
Executive Director
DIN | 00801770

Annexure - 2

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 VFD Drives

280 KW VFD Drive (3 No's) Batch type centrifugal machine, 55KW (3 No's) for mechanical circulator, 160 KW VFD Drives for spray pond motor (1 No). This has resulted in significant power savings and improved operational efficiency.

B. TECNOLOGY ABSORPTION:

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 OUTO (As on 31.03.2026)

Particulars	2025-26	2024-25
Earnings (Third Party) Rs.	-	-
Outgo	Nil	Nil

D. POWER AND FUEL CONSUMPTION (As on 31.03.2026)

Particulars	Figures in Units	Rate / Unit	Actual Paid Amt
Electricity Purchase	20,93,700	Rs. 9.04/-	1,89,27,048

Diesel Consumption for DG Set	9,190 Ltrs	82.45/ltr	7,57,715.5/-
Own generation of power through steam turbine	11,36,98,000 units	--	--
Consumption of power for Sugar Plant	5,09,08,180 units	--	--
Consumption of power for Co-gen plant	1,20,71,862 units	--	--

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Consumption of power per quintal of sugar production	25.90 units	--	--
Power export receivable amount (Rs) as per "B" form bills			
Power Export to State Grid Open Access/ Under Section - 11	5,28,56,825 units	4.19/unit	Rs. 22,14,70,096.75

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

Sd/-
Dharmalingayya J. Gudagunti
Executive Director
DIN | 00801770

Place: Siddapur
Date: 29.08.2026

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility ("CSR") reflects the strong commitment of the Company towards contributing to the sustainable development and overall well-being of its employees, their families, the communities in which it operates and society at large. The Company believes in conducting its business in a responsible and sustainable manner while creating a positive social, economic and environmental impact on its stakeholders and the surrounding communities.

The Company is committed to undertaking CSR initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the applicable rules and the CSR Policy of the Company. The CSR initiatives and activities undertaken by the Company shall extend to its various work centres, operational locations and the communities in and around such locations, including the locations and areas associated with the erstwhile Siddapur Distilleries Limited, which has been amalgamated with and into the Company pursuant to the Scheme of Amalgamation approved by the Hon'ble NCLT, Bengaluru Bench.

The broad objectives of the CSR activities of the Company are:

- 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

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.)		
	2025	2024	2023
Average Net Profit for the preceding three Financial Years of SPSCL	19,34,43,458.33		
Average Net Profit for the preceding three Financial Years of SDL	20,713,570		
Total	214,157,028		

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

Rs. 4,283,141/-

- (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: 9,712/-

(e) Total CSR obligation for the financial year [(b)+(c) -(d)]: Rs. 4,273,428 /-

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)	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	
				State	District					Name	CSR Registration number
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(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)	Location of the project	Amount spent for the project. (In Rs.)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency
				State	District		Name.
							CSR Registration Number
1.	Maintenance of Schools & Education	Promotion of Health and Education	Yes	Siddapur Village, Taluk-Jamakhandi, Dist Bagalkot, Karnataka	47,84,159	No	The amount was spent through Shri Prabhulingeshwar Shikshana Samsthe, a Society registered
							CSR00025309

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(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)	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
				587301, India.			under The Karnataka Societies Registration Act, 1960,
4.	Food Distribution	Eradicating Hunger, Poverty, and Malnutrition:	Yes	Jamkhandi 587301	15,000	Yes	Spent Directly
Total					Rs. 47,99,159		

(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. 4,799,159 /-

(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. 4,799,159	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (In Rs.)
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(i)	Two percent of average net profit of the Company as per section 135(5)	Rs. 4,273,428
(ii)	Total amount spent for the Financial Year	Rs. 4,799,159
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 525,731
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 525,731

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 2025	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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:

Sl. No.	Short particulars of the property or asset(s)	Pin code of the property	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
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	[including complete address and location of the property]	or asset(s)					
(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/-
Dharmalingayya J. Gudagunti
Executive Director
DIN | 00801770**

Place: Siddapur
Date: 29.08.2026

Secretarial Audit Report

For the financial year ended 31st March 2026

*[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 31st March 2026 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 31st March 2026 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.

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 30/09/2025:

1. Appointment of Whole Time Director and his remuneration.
2. Appointment of Non-Executive – Independent Director.
3. Approval for transactions with related parties.

The Company had 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 has been finally allowed by the Honorable National Company Law Tribunal, Bengaluru Bench on 30/01/2026.

For Gopalakrishnaraj H H & Associates
Company Secretaries

Sd/-
Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
Firm No: S2010KR129900
PR: 7113/2025

UDIN: F005654H001272667

Place: Bengaluru
Date: 29/08/2026

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

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
Firm No: S2010KR129900
PR: 7113/2025

Place: Bengaluru
Date: 29/08/2026

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/-
Dharmalingayya J. Gudagunti
Executive Director
DIN | 00801770**

Place: Siddapur
Date: 29.08.2026

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/-
Dharmalingayya J. Gudagunti
Executive Director
DIN | 00801770

Place: Siddapur
Date: 29.08.2026

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 31st March 2026, 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 to as the "Financial Statements"). These Financial Statements have been prepared giving effect to the Scheme of Amalgamation of Siddapur Distilleries Limited ("SDL" / "the Transferor Company") with the Company, as sanctioned by the Hon'ble National Company Law Tribunal vide its order dated 30-01-2026, with the Scheme accounted for under the Pooling of Interests method prescribed under Accounting Standard (AS) 14, with appointed date 1st April 2025.

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, 2026, 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to Note 28 to the Financial Statements, which describes the Scheme of Amalgamation of Siddapur Distilleries Limited with the Company, as sanctioned by the Hon'ble National Company Law Tribunal, with appointed date 1st April 2025, and the basis of accounting adopted therefor. Our opinion is not modified in respect of this matter.

Key Audit matters:

The reporting requirements relating to Key Audit Matters under SA 701 are not applicable to the Company, as it is an unlisted entity. Accordingly, no Key Audit Matters are required to be communicated in our auditor's 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 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 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, including the accounting treatment adopted for the Scheme of Amalgamation.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, including proper transfer of SDL's books of account and records pursuant to the Scheme of Amalgamation;
- (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 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 the Companies (Accounting Standards) Rules, 2021.
- (f) On the basis of the written representations received from the Directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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 does not have any pending litigations which would materially impact its financial position. Accordingly, no disclosure is required in the Financial Statements in this regard.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts 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 its 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 its 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 the audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) above contain any material misstatement;

e. The Company has not declared or paid any dividend during the year; and

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 and this extends to the books transferred pursuant to the Scheme of Amalgamation from the appointed date: 01-04-2025, 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

Sd/-

(CA. MAHENDRA B. H.)

Proprietor

Membership No. 224944

PRC No. - 017358

UDIN: 26224944YJZOAV8484

Place: Banahatti

Date: 29-08-2026

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) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) & (B) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, and full particulars of Intangible Assets, including the assets of Siddapur Distilleries Limited vested in the Company pursuant to the Scheme of Amalgamation with effect from the appointed date.

(b) According to the information and explanations provided to us, Property, Plant and Equipment were physically verified by the management during the year, including assets vested pursuant to the Scheme of Amalgamation, 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 and the records examined by us, the title deeds of all except as detailed below immovable properties disclosed in the financial statements are held in the name of the Company including those of properties transferred pursuant to the Scheme of Amalgamation.

Description of the Property	Gross Carrying Value	Held in name of	Whether Promoter, Director, Relative, or employee	Period Held	Reason for Not Being Held in the name of the Company
32 Acres 19 Guntas Industrial Land situated in the survey numbers 95/1, 58/1B,93/2/3,85/2,57/2D,58/1A/3, 107/2,66/4D,93/2/1,93/3	1,71,61,266	Siddapur Distilleries Limited (Transferee Company)	No	12 Months - calculated from the appointed date. 59 Days from the date of communication of NCLT order	Refer Note*

Note: * The title deeds of the said immovable property admeasuring 32 Acres 19 Guntas were originally held in the name of the Siddapur Distilleries Limited and Pursuant to the Scheme of Amalgamation the said property has vested in the name of Company in accordance with the terms of the Scheme.

The change of the name in the revenue records is presently pending on account of completion of the registration formalities pursuant to the Scheme.

(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 proceedings have been initiated or are pending against the Company for holding any 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) Inventory and Working Capital:

(a) As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals, including inventory acquired pursuant to the Scheme of Amalgamation. In our opinion, the coverage and procedure of 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. Quarterly returns or statements filed with such banks/financial institutions are in agreement with the books of account.

(iii) Investments, Loans, Guarantees and Security:

Based on the information and explanations provided to us, the Company has not made an investment or provided any guarantee except for H&T Loans or security or granted any loans or advances in the nature of loans, secured or unsecured, to the companies, firms, limited liability partnerships during the year.

(a) According to the information and explanations given to us, the Company has provided the Corporate Guarantee to **Bank Of India, Indian Bank and State Bank of India** for the purpose of borrowing loans by the H & T Contractors for Harvesting and Transportation purposes.

(A) The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to loans or advances in the nature of loans, guarantees or security to subsidiaries, joint ventures and associates were Nil. (B) The aggregate amount of guarantees provided during the year to parties other than subsidiaries, joint ventures and associates was

Rs. 155.00 crore and the balance outstanding as at 31 March 2026 was Rs. 146.33 crore. Such guarantees were provided to Bank of India, Indian Bank and State Bank of India in respect of borrowings by harvesting and transportation contractors.

(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 are not, prima facie, prejudicial to the interest of the Company.

(c)–(f) 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 sections 185 and 186 of the Act, to the extent applicable, in respect of the investments made and guarantees provided by it.

(v) According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has neither accepted any deposit nor any amount deemed to be a deposit from the public covered under Sections 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 account 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, in respect of the Company's products (including the erstwhile business of Siddapur Distilleries Limited now merged into the Company), and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records.

(vii) Statutory Dues:

(a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it, with the appropriate authorities. There were no undisputed amounts payable in respect of such statutory dues outstanding as at 31 March 2026 for a period exceeding six months from the date they became payable.

(b) According to the information and explanations given to us, the following statutory dues had not been deposited as at 31 March 2026 on account of disputes:

SL No.	Statute	Nature of Dues	Amounts (Rs. In Lakhs)	Period (Asst. Year)	Forum Where the Dispute is Pending	Current Status

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1	Income Tax Act, 1961	Income Tax	714.80	2024-25	NFAC, Delhi	New	Appeal Pending
2	Income Tax Act, 1961	Income Tax	94.04	2014-15	NFAC, Delhi	New	NFAC, Delhi allowed the Appeal of the assessee vide Order u/s 250 dated 10.06.2026
3	Income Tax Act, 1961	Income Tax	356.83	2014-15	NFAC, Delhi	New	NFAC, Delhi allowed the Appeal of the assessee vide Order u/s 250 dated 10.06.2026
4	Income Tax Act, 1961	Income Tax	249.89	2013-14	NFAC, Delhi	New	NFAC, Delhi allowed the Appeal of the assessee vide Order u/s 250 dated 10.06.2026
5	Income Tax Act, 1961	Income Tax	62.40	2013-14	NFAC, Delhi	New	NFAC, Delhi allowed the Appeal of the assessee vide Order u/s 250 dated 10.06.2026
6	Central Excise & Finance Act	Excise & Service Tax	3.05	Jan 2009 to Dec.2009	Commissioner, Central Tax & Central Excise, Hqrs, Belgaum		In progress Without any communication in the Financial year
7	Central Excise & Finance Act	Excise & Service Tax	24.82	2013	CESTAT, Bengaluru		In progress Without any communication in the Financial year
8	Income Tax Act, 1961	Penalty u/s 271(1)(c) of Income Tax, 1961.	7.33	2014-15	NATIONAL FACELESS APPEAL CENTRE (NFAC), DELHI		Appeal Pending
9	GST	The disputed ITC of IGST	7.13	2023-24	DCCT-Audit-2, Afzalpur Takke, Vijayapur - 586 102		Appeal Pending

(viii) According to the information and explanations given to us, there are no transactions which are not accounted for in the books of account which have been surrendered or disclosed as income during the year in the Tax Assessment of the Company. Also, there is no previously unrecorded income which has now been recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

(ix) Repayment of Loans and Borrowings:

(a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Defaults, if any, by harvesting and transportation contractors in respect of facilities guaranteed by the Company do not constitute defaults in repayment of the Company's own borrowings.

(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 a wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanation provided to us, money raised by way of term loans during the year has been applied for the purpose for which it was raised.

(d) In our opinion and according to the information and explanations given to us by the management, funds raised on a 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, including in connection with the pre-merger relationship with Siddapur Distilleries Limited.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31st March 2026. Hence clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable. (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable. Shares issued after the balance sheet date pursuant to the Scheme of Amalgamation do not constitute an allotment during the year ended 31 March 2026.

(xi) Fraud:

(a) Based on the audit procedures performed and according to the information and explanations given to us, instances of fraud involving manipulation of sugarcane weighment were noticed or reported during the year. The fraud was perpetrated by employees or contractors on the Company, resulting in an estimated financial impact of Rs. 42.64 lakh. The matter has been investigated by management, and appropriate corrective and disciplinary or legal actions have been initiated. Except for the aforesaid matter, no other fraud by the Company or on the Company has been noticed or reported during the year.

(b) The amount involved in the fraud reported in clause 3(xi)(a) above was below the threshold prescribed for reporting to the Central Government under section 143(12) of the Act.

Accordingly, no report in Form ADT-4 was required to be filed with the Central Government. The matter was reported to the Audit Committee or the Board, as applicable, in accordance with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

(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) 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, all transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details thereof have been disclosed in the Financial Statements as required by the applicable Accounting Standard..

(xiv) (a) The Company has appointed a firm of Chartered Accountants 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;

(b) We have considered the internal audit report(s) 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 the 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 account, 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.

There was no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable. The engagement of M/s Praveen P & Associates, the erstwhile auditors of Siddapur Distilleries Limited, ceased only due to the amalgamation of Siddapur Distilleries Limited with the Company.

(xix) According to the 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 capability of meeting its liabilities as and when they fall due within a period of one year from the balance sheet date.

(xx) The provisions of section 135 of the Act are applicable to the Company.

(a) In respect of projects other than ongoing projects, there was no unspent amount required to be transferred to a Fund specified in Schedule VII to the Act in compliance with the second proviso to section 135(5) of the Act.

(b) There was no amount remaining unspent under section 135(5) of the Act pursuant to any ongoing project that was required to be transferred to a special account in compliance with section 135(6) of the Act.

(xxi) In our opinion and according to the information and 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

Sd/-

(CA. MAHENDRA B. H.)

Proprietor

Membership No. 224944

PRC No. - 017358

UDIN: 26224944YJZOAV8484

Place: Banahatti

Date: 29-08-2026

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph (g) 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 31st March 2026, 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, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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.

Our audit procedures also addressed whether the internal financial controls over financial reporting extended to the processes, systems and personnel inherited from Siddapur Distilleries Limited pursuant to the Scheme of Amalgamation, including the process followed for recognising and recording the Property, Plant and Equipment vested in the Company under the Scheme.

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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, 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

Sd/-
(CA. MAHENDRA B. H.)
Proprietor
Membership No. 224944
PRC No. - 017358
UDIN: 26224944YJZOAV8484
Place: Banahatti
Date: 29-08-2026

SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED

CIN: U85110KA1995PLC017861

BALANCE SHEET AS AT 31ST MARCH, 2026

(Rupees in Lakhs)

SL.No	Particulars	Note No	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
(a)	Share Capital	1	3,742.68	4,661.86
(b)	Share Capital Pending for Allotment	1A	6,024.56	0.00
(c)	Reserves and Surplus	2	34,546.19	33,486.71
			44,313.43	38,148.57
2	Non-Current Liabilities			
(a)	Long-Term Borrowings	3	33,365.25	19,923.49
(b)	Deferred Tax Liabilities (Net)	4	1,314.24	1,658.82
(c)	Other Long-Term Liabilities	5	1,859.79	1,859.79
(d)	Long-Term Provisions	6	1,754.27	1,421.89
			38,293.53	24,863.98
3	Current Liabilities			
(a)	Short-Term Borrowings	7	73,281.81	52,986.01
(b)	Trade Payables			
(i)	Outstanding dues of Micro and Small Enterprises	8	559.36	203.53
(ii)	Outstanding dues of creditors other than Micro and Small Enterprises	8	42,357.93	33,770.24
(c)	Other Current Liabilities	9	8,031.84	14,879.50
(d)	Short-Term Provisions	10	1,554.93	927.14
			1,25,785.87	1,02,766.41
	TOTAL		2,08,392.83	1,65,778.96
II	ASSETS			
1	Non-Current Assets			
(a)	Property, Plant and Equipment and Intangible assets	11		
(i)	Property, Plant and Equipment		89,354.75	60,149.62
(ii)	Intangible Assets		51.50	32.61
(iii)	Capital Work-in-Progress		636.37	7,047.60
(b)	Non-Current Investments	12	5,868.31	4,986.62
(c)	Other Non-Current Assets	13	79.30	71.54
			95,990.23	72,287.98
2	Current Assets			
(a)	Current Investments	14	676.56	676.56
(b)	Inventories	15	91,373.72	71,383.04
(c)	Trade Receivables	16	2,513.94	12,027.25
(d)	Cash and Cash Equivalents	17	5,714.86	2,404.48
(e)	Short-Term Loans and Advances	18	7,140.72	6,540.09
(f)	Other Current Assets	19	4,982.80	459.55
			1,12,402.60	93,490.98
	TOTAL		2,08,392.83	1,65,778.96

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

31

The accompanying notes form an integral part of these financial statements.

For, **SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED**

Date: 29th August 2026

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/-
D. J. Gudagunti
Executive Director
DIN 00801770

Sd/-
MAHENDRA B. H.
Proprietor
M. No. 224944
UDIN: 26224944YJZOAV8484

Sd/-
N. G. Sanadi
Director
DIN 00666766

Sd/-
M. C Koti
Independent Director
DIN 05203944

Sd/-
C. D. Haragapure
Chief Executive Officer

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

Sd/-
Vinod Kumar K
General Manager - F&A

SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED

CIN: U85110KA1995PLC017861

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2026

(Rupees in Lakhs)

SL.No	Particulars	Note No	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
I.	Revenue from Operations	20	98,163.69	83,170.15
II.	Other Income	21	732.94	440.74
III.	Total Income (I+II)		98,896.62	83,610.89
IV.	Expenses			
	Cost of Materials Consumed	22	73,648.89	70,602.12
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	-3,019.96	-6,622.41
	Employee Benefits Expenses	24	4,529.80	2,934.65
	Finance Costs	25	12,471.73	8,914.70
	Depreciation and Amortisation Expenses	11	3,194.24	1,799.36
	Other Expenses	26	5,698.81	3,954.27
	Total Expenses (IV)		96,523.50	81,582.70
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		2,373.12	2,028.19
VI.	Exceptional Items		0.00	0.00
VII.	Profit Before Extraordinary Items and Tax (V-VI)		2,373.12	2,028.19
VIII.	Extraordinary Items			
	Prior Period Items		49.18	0.00
IX.	Profit Before Tax (VII-VIII)		2,323.95	2,028.19
X.	Tax Expense:			
	(1) Current Tax		406.04	354.37
	(2) Short Provision for Tax of Previous Financial Year		44.79	0.00
	(3) Deferred Tax		407.41	325.29
	Total Tax Expense		858.24	679.66
XI.	Profit/(Loss) for the Year (IX-X)		1,465.70	1,348.54
XII.	Earnings Per Equity Share (Face Value Rs. 10 each)	27		
	(1) Basic		1.50	2.89
	(2) Diluted		1.50	2.89

The accompanying notes form an integral part of these financial statements.

For, **SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED**

Date: 29th August 2026

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/-
D. J. Gudagunti
Executive Director
DIN 00801770

Sd/-
MAHENDRA B. H.
Proprietor
M. No. 224944
UDIN: 26224944YJZOAV8484

Sd/-
N. G. Sanadi
Director
DIN 00666766

Sd/-
M. C Koti
Independent Director
DIN 05203944

Sd/-
C. D. Haragapure
Chief Executive Officer

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

Sd/-
Vinod Kumar K
General Manager - F&A

SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED

CIN: U85110KA1995PLC017861

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

(Rupees in Lakhs)

Sl.No	Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
I	Cash Flow from Operating Activities		
	Profit Before Tax	2,323.95	2,028.19
	Adjustments for:		
	Depreciation	3,194.24	1,799.36
	Interest Income	-39.38	-21.54
	Interest Expenditure	12,471.73	8,914.70
	Profit from Sale of Fixed Assets	-6.35	0.00
	Dividend Income	-69.10	-36.84
	Operating Profit Before Working Capital Changes	17,875.08	12,683.87
	Changes in Working Capital		
	Trade Payables	7,373.79	3,342.62
	Trade Receivables	166.25	-20.43
	Other Current Assets	718.73	-3.35
	Short Term Loans & Advances	200.02	-645.52
	Inventories	-2,753.37	-7,365.88
	Other Current Liabilities	-7,127.50	10,813.37
	Long Term Provisions	-242.10	38.90
	Short Term Provisions	627.79	23.54
	Other Non Current Assets	0.00	0.40
	Cash Generated from Operations	16,838.68	18,867.52
	Less : Income Tax Paid	450.83	-354.37
	Net Cash Flow from Operating Activities (A)	16,387.85	18,513.15
II	Cash Flow from Investing Activities		
	Purchase of Investments	-447.83	-790.01
	Purchase of Fixed Assets	-6,664.84	-8,086.25
	Proceeds on Sale of Fixed Assets	7.24	0.00
	Interest Income	39.38	21.54
	Dividend Income	69.10	36.84
	Net Cash Used in Investing Activities (B)	-6,996.95	-8,817.88
III	Cash Flow from Financing Activities		
	Proceeds of Long Term Borrowings	6,566.00	4825.59
	Repayment of Long Term Borrowings	-4,833.44	-3029.45
	Proceeds of Short Term Borrowings	96,924.25	28,019.33
	Repayment of Short Term Borrowings	-92,498.02	-31,228.64
	Interest Payment	-12,471.73	-8,914.70
	Net Cash Used in Financing Activities (C)	-6,312.95	-10,327.87
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	3,077.95	-632.60
	Cash and Cash Equivalents at the Beginning of the Year	2,404.48	3,037.06
	Add : Cash and Cash Equivalents Acquired on Amalgamation (Refer Note 28)	232.44	0.00
	Cash and Cash Equivalents at the End of the Year without Scheme	5,714.86	2,404.48

Notes to Cash Flow Statement:

The 60,245,588 equity shares of Rs. 10 each issued pursuant to the Scheme of Amalgamation with Siddapur Distilleries Limited, as set out in Note No. 28 are included under "Shares Pending for Allotment," have not been considered in the above Cash Flow Statement, as the shares were issued for non-cash consideration.

The 9,191,800 equity shares of Rs. 10/- each held by Siddapur Distilleries Limited in the Company were cancelled pursuant to the Scheme of Amalgamation, as set out in Note No. 28. The cancellation resulted in a reduction in the Company's equity share capital without any actual cash flow. Accordingly, the said non-cash transaction has not been considered in the above Cash Flow Statement.

The accompanying notes form an integral part of these financial statements.

For, **SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED**

Date: 29th August 2026

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/-
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Executive Director
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Proprietor
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Independent Director
DIN 05203944

Sd/-
C. D. Haragapure
Chief Executive Officer

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

Sd/-
Vinod Kumar K
General Manager - F&A

Summary of Material Accounting Policies and Other Explanatory Notes to the Financial Statements after the Scheme of Amalgamation for the year ended 31st March 2026

NOTE: 1**Share Capital****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
12,00,00,000 Equity Shares of Rs. 10 each	12,000.00	11,000.00
Issued, Subscribed and Fully Paid-Up Share Capital		
3,74,26,795 Equity Shares of Rs. 10 each Fully Paid-Up	3,742.68	4,661.86
Total	3,742.68	4,661.86

a) Reconciliation of the number of Equity Shares at the beginning and at the end of the reporting period.

Particulars	As at 31 March 2026		As at 31 March 2025	
	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
Cancellation of Mutual Holdings during the year (Refer Note No : 28)	-91,91,800	-919.18	0	0
Shares outstanding at the end of the year	3,74,26,795	3742.68	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 face value of **Rs. 10 per share**.
- Each holder of Equity Shares is entitled to **one vote per Equity Share**.
- The Company declares and pays dividends in **Indian Rupees**, subject to the provisions of the Companies Act, 2013.
- The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing **Annual General Meeting**, wherever applicable.
- 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 to their shareholding.

c) Details of Shareholders Holding more than 5% of the shares:

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Jagadeesh S. Gudagunti	1,39,48,834.00	37.27	1,38,05,834.00	29.61

d) Details of Shares Held by Promoters at the year ended 31st March, 2026

Particulars	As at 31 March 2026		% change in shareholding during the year	As at 31 March 2025	
	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
Shri Jagadeesh S. Gudagunti	1,39,48,834.00	37.27	7.66	1,38,05,834.00	29.61
Shri Dharmalingayya J. Gudagunti	13,07,000.00	3.49	0.69	13,07,000.00	2.80
Shri Veerupakshayya J. Gudagunti	3,36,000.00	0.90	0.18	3,36,000.00	0.72
Shri Rajendrakumar S. Gudagunti	10,36,334.00	2.77	0.55	10,36,334.00	2.22
Shri Satish S. Gudagunti	-	-	-2.05	9,56,035.00	2.05
Shri Sudheer S. Gudagunti	8,79,134.00	2.35	0.46	8,79,134.00	1.89
Shri Nagappa G. Sanadi	77,001.00	0.21	0.04	77,001.00	0.17
Shri Nagayya A. Charantimath	35,801.00	0.10	0.02	35,801.00	0.08
Shri Subodh Vinayak Joshi	11,001.00	0.03	0.01	11,001.00	0.02
Shri Appasaheb R. Patil	11,001.00	0.03	0.01	11,001.00	0.02

* The above shareholding pattern has been presented excluding shares pending allotment. The details of the Scheme of Amalgamation are set out in Note No. 28.

* The shareholding percentage of the above shareholders has increased compared with the previous year due to a reduction in equity share capital on account of the cancellation of mutual shareholdings pursuant to the scheme of amalgamation with Siddapur Distilleries Limited. The details of the scheme are furnished under Note No. 28.

NOTE: 1A**Share Capital Pending for Allotment****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
6,02,45,588 equity shares of 10/- each fully paid-up to be issued to the members of erstwhile Siddapur Distilleries Limited(SDL) pursuant to the scheme of amalgamation of SDL with the Company (Refer Note : 28)	6,024.56	-
Total	6,024.56	-

NOTE : 2**Reserves & Surplus****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Capital Redemption Reserve		
Opening Balance	235.98	235.98
Add: Transfer during the year	-	-
Closing Balance	235.98	235.98
(b) Securities Premium :		
Opening Balance	-	-
Add: On Amalgamation (Refer Note 28)	619.85	-
Closing Balance	619.85	-
(c) Revaluation Reserve		
Opening Balance	28,335.40	29,535.54
Add: Current Year Transfer (Revaluation Reserve)	-	-
Less: Depreciation on Revaluation of Assets	1,200.14	1,200.14
Total Revaluation Reserve	27,135.25	28,335.40
(d) General Reserve		
Opening Balance	-	-
Add: On Amalgamation (Refer Note 28)	75.00	-
Less : Adjusted on Amalgamation (Refer Note 28)	75.00	-
Total General Reserve	-	-
(e) Other Reserves (Capital Subsidy) :		
Opening Balance	-	-
Add: On Amalgamation (Refer Note 28)	450.00	-
Closing Balance	450.00	-
(f) Surplus in Statement of Profit & Loss		
Opening balance	4,915.34	3,566.80
Add : Profit for the year	1,465.70	1,348.54
On Amalgamation (Refer Note 28)	5,288.86	-
Less : Adjusted on Amalgamation (Refer Note 28)	5,370.27	-
Adjustment on account of Cross-Holding (Refer Note 28)	194.52	
Closing Balance	6,105.11	4,915.34
Total Reserves & Surplus	34,546.19	33,486.71

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

Particulars	As at 31 March 2026	As at 31 March 2025
Term loans - Secured		
(i) From Banks	22,802.75	7,923.49
(ii) From other Parties	10,562.50	12,000.00
Total	33,365.25	19,923.49

Sl. No.	Nature of Security	Terms of Repayment
I	Term Loan	
1	Term loan availed from Shri Basaveshwar Sahakari Bank Niyamith, Bagalkot, amounting to Rs. 500.00 lakhs. The loan is secured by a pari passu second charge on the plant and machinery of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 7 years and 6 months in 90 monthly instalments commencing from November 2024, with the final instalment due in January 2032. The applicable rate of interest is 13.00% per annum.
2	Term loan availed from Jagruti Urban Credit Souharda Sahakari Sangha Niyamith, Harugeri, amounting to Rs. 500.00 lakhs. The loan is secured on the plant and machinery of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 5 years in 60 monthly instalments commencing from November 2024, with the final instalment due in October 2029. The applicable rate of interest is 13.00% per annum.
3	Term loan availed from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs. 1,500.00 lakhs. The loan is secured by a pari passu first charge on the plant and machinery and land and building of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 5 years in 20 quarterly instalments commencing from October 2022, with the final instalment due in July 2027. The applicable floating rate of interest is 12.50% per annum.
4	Term loan availed from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs. 3,000.00 lakhs. The loan is secured by a pari passu first charge on the plant and machinery and land and building of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 5 years in 20 quarterly instalments commencing from November 2023, with the final instalment due in October 2028. The applicable rate of interest is 12.50% per annum.
5	Term loan availed from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs. 5,000.00 lakhs. The loan is secured by a pari passu first charge on the plant and machinery and land and building of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 6 years in 24 quarterly instalments commencing from June 2026, with the final instalment due in June 2032. The applicable floating rate of interest is 13.25% per annum.
6	Term loan availed from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs. 6,500.00 lakhs. The loan is secured by a pari passu first charge on the land and building of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 6 years in 24 quarterly instalments commencing from October 2027, with the final instalment due in July 2033. The applicable floating rate of interest is 13.25% per annum.
7	Term loan availed from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamith, Jamkhandi, amounting to Rs. 4,500.00 lakhs. The loan is secured by an equitable mortgage over the factory land and a pari passu second charge on the plant and machinery and building of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 8 years in 32 quarterly instalments commencing from January 2025, with the final instalment due in October 2032. The applicable floating rate of interest is 12.00% per annum.
8	Term loan availed from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamith, Jamkhandi, amounting to Rs. 5,500.00 lakhs. The loan is secured by an equitable mortgage over the factory land and a pari passu second charge on the plant and machinery and building of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 8 years in 32 quarterly instalments commencing from January 2025, with the final instalment due in October 2032. The applicable floating rate of interest is 12.00% per annum.
9	Term loan availed from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamith, Jamkhandi, amounting to Rs. 4,000.00 lakhs. The loan is secured by an equitable mortgage over the factory land of the Company, together with the personal guarantees of the Directors.	The loan is repayable over 8 years in 32 quarterly instalments commencing from January 2025, with the final instalment due in October 2032. The applicable floating rate of interest is 12.00% per annum.
10	Term loan availed from The Bagalkot District Credit Co-Op Bank Ltd – Jamkhandi Bazar Branch amounting to Rs.4,500 lakhs, is secured by the hypothecation of proposed expansion of Distillery capacity from 140 KLPD to 220 KLPD.	The loan is repayable over 7 years (Including 2 years Moratorium period) in 20 quarterly instalments commencing from May-2026, with the final instalment due in April- 2031. The applicable rate of Interest is 12.50% per annum.
11	Term loan availed from Jagruti Urban Credit Souharda Sahakari Niyamith, Jamkhandi Branch amounting to Rs.500 lakhs, is secured by the hypothecation proposed expansion of Distillery capacity from 140 KLPD to 220 KLPD.	The loan is repayable over 8 years in 96 monthly instalments commencing from May-2023, with the final instalment due in April- 2031. The applicable rate of Interest is 13.50% per annum.
12	Term loan availed from Shri Prabhulingeshwar Souharda Credit Co-Op Ltd, Siddapur amounting to Rs.3,000 lakhs. The loan is secured by the hypothecation of plant and machinery.	The loan is repayable over 10 years(Including Moratorium) 32 quarterly instalments commencing from Decemeber-2026, with the final instalment due in November- 2032. The applicable rate of Interest is 12%

13	Term loan availed from SBI Hubballi amounting to Rs.514 lakhs. The loan is secured by the hypothecation of plant and machinery, specifically comprising the 500/day CSTR bio-digester plant and molasses storage tanks	The loan is repayable over 7 years 8 months in 90 monthly instalments commencing from August 2019, with the final instalment due in May 2026. The applicable rate of Interest is 11.90%
14	Term loan availed from SBI Hubballi with an amounting to Rs. 3,938 lakhs. The loan is secured by the hypothecation of fixed assets created under the expansion project of the existing 70 KLPD distillery plant to 140 KLPD, which includes a new spent wash evaporation plant, an incineration boiler with a waste heat recovery boiler, a biogas-based genset, and a TG set.	The loan is repayable over 5 years in 60 monthly instalments commencing from Nov-2022, with the final instalment due in Dec- 2026. The applicable rate of Interest is 11.90%
15	Term loan availed from Jagruti Urban Credit Souharda Sahakari Niyamith, Jamkhandi Branch amounting to Rs.1,200 lakhs, is secured by the hypothecation of plant and machinery, specifically comprising the bagasse storage shed and molasses storage tanks.	The loan is repayable over 8 years in monthly instalments commencing from July-2022, with the final instalment due in June- 2030. The applicable rate of Interest is 13%
16	Term loan availed from Shri Prabhulingeshwar Souharda Credit Co-Op Ltd, Siddapur amounting to Rs.1,800 lakhs. The loan is secured by the hypothecation of plant and machinery.	The loan is repayable over 24 quarterly instalments commencing from July-2022, with the final instalment due in June- 2030. The applicable rate of Interest is 13%
17	Term loan availed from The Bagalkot District Credit Co-Op Bank Ltd, Jamkhandi Bazar Branch, amounting to Rs. 2,200 lakhs. The loan is secured by hypothecation of 1000 M3 Multi Effect Evaporator Plant and 70 KLPD MSDH Ethanol Plant.	The loan is repayable over 6 years in monthly instalments commencing from Sept-2023, with the final instalment due in August- 2028. The applicable rate of Interest is 12.50%
II	Vehicle Loan	
18	Term loan availed from HDFC Bank Ltd., amounting to Rs. 24.75 lakhs. The loan is secured against the commercial vehicle financed, being a fire-fighting vehicle.	The loan is repayable over 3 years and 11 months in 47 monthly instalments commencing from June 2023, with the final instalment due in April 2027. The applicable floating rate of interest is 9.50% per annum.
19	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 35.00 lakhs. The loan is secured against the commercial vehicle financed, being a Hydra.	The loan is repayable over 3 years and 11 months in 47 monthly instalments commencing from June 2023, with the final instalment due in April 2027. The applicable floating rate of interest is 9.50% per annum.
20	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 30.64 lakhs. The loan is secured against the commercial vehicle financed, being an Innova.	The loan is repayable over 5 years in 60 monthly instalments commencing from December 2021, with the final instalment due in November 2026. The applicable floating rate of interest is 7.20% per annum.
21	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 33.00 lakhs. The loan is secured against the commercial vehicle financed, being an Innova Hycross - 1.	The loan is repayable over 5 years in 60 monthly instalments commencing from July 2025, with the final instalment due in June 2030. The applicable floating rate of interest is 8.65% per annum.
22	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 33.00 lakhs. The loan is secured against the commercial vehicle financed, being an Innova Hycross - 2.	The loan is repayable over 5 years in 60 monthly instalments commencing from July 2025, with the final instalment due in June 2030. The applicable floating rate of interest is 8.65% per annum.
23	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 24.80 lakhs. The loan is secured against the commercial vehicle financed, being a backhoe loader.	The loan is repayable over 4 years in 48 monthly instalments commencing from July 2022, with the final instalment due in June 2026. The applicable floating rate of interest is 8.67% per annum.
24	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 150.00 lakhs. The loan is secured against the commercial vehicle financed, being a Mercedes-Benz.	The loan is repayable over 5 years in 60 monthly instalments commencing from May 2024, with the final instalment due in April 2029. The applicable floating rate of interest is 8.80% per annum.
25	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 41.84 lakhs. The loan is secured against the commercial vehicle financed, being an MG Gloster.	The loan is repayable over 5 years in 60 monthly instalments commencing from November 2021, with the final instalment due in October 2026. The applicable floating rate of interest is 7.20% per annum.

26	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 21.90 lakhs. The loan is secured against the commercial vehicle financed, being an SML Shift Bus.	The loan is repayable over 3 years and 11 months in 47 monthly instalments commencing from June 2023, with the final instalment due in April 2027. The applicable floating rate of interest is 9.50% per annum.
27	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 28.00 lakhs. The loan is secured against the commercial vehicle financed, being a Tata Shift Bus.	The loan is repayable over 4 years in 48 monthly instalments commencing from August 2024, with the final instalment due in July 2028. The applicable floating rate of interest is 9.70% per annum.
28	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 53.00 lakhs. The loan is secured against the commercial vehicle financed, being a Toyota Fortuner - 1.	The loan is repayable over 5 years in 60 monthly instalments commencing from May 2024, with the final instalment due in April 2029. The applicable floating rate of interest is 8.80% per annum.
29	The Vehicle loan is availed from HDFC Bank Ltd., amounting to Rs. 53.00 lakhs. The loan is secured against the commercial vehicle financed, being a Toyota Fortuner - 2.	The loan is repayable over 5 years in 60 monthly instalments commencing from May 2024, with the final instalment due in April 2029. The applicable floating rate of interest is 8.80% per annum.
30	The Vehicle loan is availed from Shri Prabhulingeshwar Souharda Credit Co-Op Ltd- Siddapur Vehicle loan of Rs.12.50 Lakhs each vehicle. The loan is secured by exclusive first charge on 2 (Two) New Holland Tractors.	The loan is repayable over 5 years in 60 monthly instalments commencing from November-2021 with final instalment due is October-2026. The applicable rate of Interest is 13.50% per annum.
31	The Vehicle loan is availed from Axis Bank Ltd- Jamkhandi amounting to Rs. 10 lakhs, The loan is secured by exclusive first charge on Mahindra Bolero.	The loan is repayable within 60 months from Deember-2021 The applicable rate of Interest is 8.20%.
32	The Vehicle loan is availed from HDFC Bank Ltd, Jamkhandi amounting to Rs.38 Lakhs. Loan is secured by an exclusive first charge on an Innova Crysta.	The loan is repayable over 5 years in 60 monthly instalments commencing from December 2022 with final instalment due is November-2027. The applicable rate of Interest is 8.20% per annum.
33	The Vehicle loan is availed from HDFC Bank Ltd, Jamkhandi amounting to Rs.10.19 Lakhs. Loan is secured by an exclusive first charge on New Holland Tractor.	The loan is repayable over 5 years in 60 monthly instalments commencing from December 2022 with final instalment due is November-2027. The applicable rate of Interest is 8.20% per annum.
34	The Vehicle loan is availed from ICIC Industrial Capital India Pvt Ltd- Bangalore, amounting to Rs. 43.00 Lakhs per vehicle, carries interest at 8.85% per annum	The loan is repayable over 60 equal monthly instalments starting from February 2023. The loan is secured by an exclusive first charge on 4 units of Ashok Leyland chassis.
35	The Vehicle loan is availed from The Federal Bank- Bangalore, amounting to Rs.43 Lakhs. Loan is secured by an exclusive first charge on Ashok Leyland Chassi 6 Nos.	The loan is repayable over 5 years in 60 monthly instalments commencing from March-2023 with final instalment due is February-2028. The applicable rate of Interest is 8.75% per annum.
36	The Vehicle loan is availed from HDFC Bank Ltd- Jamkhandi, amounting to Rs.38 Lakhs. Loan is secured by an exclusive first charge on Innova Hycross.	The loan is repayable over 5 years in 60 monthly instalments commencing from February-2024 with final instalment due is January-2029. The applicable rate of Interest is 8.75% per annum.
37	The Vehicle loan is availed from Kotak Mahindra Bank- Bangalore, amounting to Rs.45 Lakhs. Loan is secured by an exclusive first charge on Ashok Leyland Chassi 6 Nos.	The loan is repayable over 4 years 11 months in 59 monthly installments commencing from April-2023 with final installment due is February-2028. The applicable rate of Interest is 8.85% per annum.
38	The Vehicle loan is availed from The Federal Bank- Bangalore, amounting to Rs.30 Lakhs. Loan is secured by an exclusive first charge on Innova Crysta.	The loan is repayable over 5 years in 60 monthly installments commencing from March-2024 with final installment due is February-2029. The applicable rate of Interest is 8.75% per annum.

NOTE 4**Deferred Tax Liabilities (Net)****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Deferred Tax Liability on Account of		
(i) Depreciation	3,281.65	3,060.24
(b) Deferred Tax Asset on Account of		
(i) Unabsorbed Depreciation	1,378.07	853.44
(ii) Provisions and Expenses Disallowable under Income Tax Act but allowable on Payment Basis	589.34	547.99
Total	1,967.41	1,401.42
Deferred Tax Liability Net (a-b)	1,314.24	1,658.82

NOTE 5**Other Long Term Liabilities****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred Purchase Tax on Sugar Cane	1,859.79	1,859.79
Total	1,859.79	1,859.79

NOTE 6**Long- Term Provisions****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Provision for Employee Benefits		
(i) Gratuity	1,265.75	1,021.91
(ii) Leave Encashment	488.52	399.98
Total	1,754.27	1,421.89

NOTE 7**Short - Term Borrowings****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Secured		
(i) Working Capital Loans from Banks	43,634.43	37,435.06
(ii) Working Capital Loans from Other Parties	23,614.53	11,000.00
(iii) Current Maturities of Long - Term Borrowings	6,032.84	2,550.95
Total - (a)	73,281.81	50,986.01
(b) Unsecured		
(i) Loans and Advance from Related Party	-	2,000.00
Total - (b)	-	2,000.00
Total (a+b)	73,281.81	52,986.01

Sl. No.	Nature of Security	Terms of Repayment
1	Working capital loan availed from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs. 6000.00 lakhs is secured by pledge of sugar stocks.	Repayable on demand. The facility is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 11.75% per annum.

2	Working capital loan availed from Belagavi District Central Co-operative Bank Limited, Belagavi, amounting to Rs. 7,000.00 lakh is secured by pledge of sugar stocks.	Repayable on demand. The facility is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 12.00% per annum.
3	Working capital loan availed from Bagalkot District Central Co-operative Bank Limited, Bagalkot, amounting to Rs. 1000.00 lakhs was secured on the Raw Material Store Stock.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 12.75% per annum.
4	Working capital loan availed from The Karnataka State Co-Operative Apex Bank Ltd, amounting to Rs. 3500.00 lakhs is secured by pledge of sugar stocks.	The facility has been renewed under a consortium arrangement led by KSC Apex Bank. It is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 14.50% per annum.
5	Working capital loan availed from The South Canara District Central Co-Operative Bank Ltd, amounting to Rs. 3000.00 is secured by pledge of sugar stocks.	The facility has been renewed under a consortium arrangement led by KSC Apex Bank. It is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 14.50% per annum.
6	Working capital loan availed from The Cosmos Co-Operative Bank Ltd, amounting to Rs. 14000.00 lakhs is secured by pledge of sugar stocks together with the personal guarantees of the Directors	Repayable on demand. The facility is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 11.00% per annum.
7	Working capital loan availed from The Karnataka State Co-Operative Apex Bank Ltd, amounting to Rs. 2000.00 lakhs is secured by a hypothecation on the Plant & Machinery of the Company together with the personal guarantees of the Directors	The facility has been renewed under a consortium arrangement led by KSC Apex Bank. It is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 14.50% per annum.
8	Working capital loan availed from The South Canara District Central Co-Operative Bank Ltd, amounting to Rs. 1000.00 lakhs was secured on Pledge of Sugar	The facility has been renewed under a consortium arrangement led by KSC Apex Bank. It is sanctioned up to 85% of the pledge value, determined with reference to the average sugar price prevailing during the preceding three months. Interest is payable at 14.50% per annum.
9	Working Capital loan availed from Shri Prabhulingeshwar Souharda Pattina Sahakari Sangha Niyamith, Jamkhandi, amounting to Rs. 11,000.00 lakhs. The loan is secured by an equitable mortgage over the factory land of the Company, together with the personal guarantees of the Directors.	Repayable on demand. Rate of Interest is 12% p a. the loan is sanctioned on book debts and other receivables on the company
10	Working capital loan availed from SBI Hubli, amounting to Rs. 2,740.00 lakhs was secured by stock and Stores spares receivable.	Repayable on demand. The facility is sanctioned up to 75% of the pledge value of the stock. Interest is payable at 11.55% per annum.
11	Working capital loan availed from SBI -Jamkhandi, amounting to Rs. 100.00 lakhs was secured by stock and Stores spares receivable.	Repayable on demand. The facility is sanctioned up to 75% of the pledge value of the stock. Interest is payable at 11.55% per annum.
12	Working capital loan availed from Shri Basaveshwar Sahakari Bank Ltd – Bagalkot, amounting to Rs. 500.00 lakhs was secured stores & Spares, Pressmud & Bhoomi Shakti, Molasses spirit	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 14.00% per annum.
13	Working capital loan availed from The Bagalkot District Credit Co-Op Bank Ltd – Jamkhandi Bazar Branch, amounting to Rs. 500.00 lakhs was secured stores & Spares, Pressmud & Bhoomi Shakti, Molasses spirit.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 12.75% per annum.
14	Working capital loan availed from Shri Prabhulingeshwar Shouhard Pattin Sahakari Sangh Niyamith - Jamkhandi, amounting to Rs. 3000.00 lakhs was secured Plant & Machinery.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 13.00% per annum.

15	Working capital loan availed from Shri Prabhulingeshwar Shouhard Pattin Sahakari Sangh Niyamith - Jamkhandi, amounting to Rs. 4000.00 lakhs was secured Plant & Machinery.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 13.00% per annum.
16	Working capital loan availed from Shri Prabhulingeshwar Shouhard Pattin Sahakari Sangh Niyamith - Jamkhandi, amounting to Rs. 2000.00 lakhs was secured Plant & Machinery.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 13.00% per annum.
17	Working capital loan availed from Shri Prabhulingeshwar Shouhard Pattin Sahakari Sangh Niyamith - Jamkhandi, amounting to Rs. 5000.00 lakhs was secured Plant & Machinery.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 13.00% per annum.
18	Working capital loan availed from Shri Prabhulingeshwar Shouhard Pattin Sahakari Sangh Niyamith - Jamkhandi, amounting to Rs. 4000.00 lakhs was secured Plant & Machinery.	Repayable within one year from the respective date of disbursement. Interest is payable at the rate stipulated by the lending bank, presently 13.00% per annum.
19	Working capital loan availed from The Vijayapura District Credit Co-Op Bank Ltd - Vijayapura Branch, amounting to Rs. 2,450.00 lakhs was secured Molasses.	Repayable on demand. The facility is sanctioned up to 75% of the pledge value of the stock. Interest is payable at 12.50% per annum.
20	Working capital loan availed from The Karnataka State Co-Op Apex Bank Ltd - Bengaluru Branch, amounting to Rs. 50.00 lakhs was secured Molasses.	Repayable on demand. The facility is sanctioned up to 75% of the pledge value of the stock. Interest is payable at 14.00% per annum.

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

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Outstanding Dues of Micro, Small, and Medium Enterprises (MSME)	559.36	203.53
(b) Outstanding Dues of Creditors Other than Micro, Small, and Medium Enterprises (MSME)	42,357.93	33,770.24
Total	42,917.29	33,973.76

Note No: 8**The following table provides an ageing schedule of Trade Payables outstanding as at 31 March 2026:****(Rupees in Lakhs)**

Sl.No	Particulars	Outstanding for the following periods from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Dues - MSME	327.93	154.04	77.40	0.00	559.36
(ii)	Undisputed Dues - Others	41,987.83	103.65	140.48	125.97	42,357.93
(iii)	Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv)	Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00
	Total	42,315.76	257.69	217.88	125.97	42,917.29

The following table provides an ageing schedule of Trade Payables outstanding as at 31 March 2025:**(Rupees in Lakhs)**

Sl.No	Particulars	Outstanding for the following periods from the 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	0.00	0.00	0.00	203.53
(ii)	Undisputed Dues - Others	33,488.36	59.04	62.04	160.79	33,770.24
(iii)	Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv)	Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00
	Total	33,691.89	59.04	62.04	160.79	33,973.76

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

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Interest Accrued but not due on Borrowings	0.00	253.58
(b) Interest Accrued and Due on Borrowings	351.60	381.53
(c) Duties & Taxes Payable	463.13	233.09
(d) Advance Received from Customers	5,739.04	10,747.39
(e) Others	1,478.07	3,263.91
Total	8,031.84	14,879.50

NOTE 10**Short - Term Provisions****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Provision for Employee Benefits		
(i) Salary & Reimbursements	296.57	181.91
(ii) Contribution to PF	29.67	29.08
(iii) Gratuity	331.14	148.60
(iv) Leave Encashment	137.41	71.17
(v) Bonus , Ex-Gratia & Insurance	348.70	241.43
(vi) Managerial Remuneration Payable	3.33	0.00
Total - (a)	1,146.82	672.20
(b) Provision for Current Tax		
(i) Current Tax	406.04	254.94
(ii) Provision for Expenses	2.07	0.00
Total - (b)	408.11	254.94
Total - (a+b)	1,554.93	927.14

Note 11: Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

I. Property, Plant and Equipment

(Rupees in Lakhs)

Sl.No	Particulars	Gross Block						Depreciation and Amortisation					Net Block	
		As at 01.04.2025	On Amalgamation (Refer Note. 1 below)	Revaluation Adjustment	Additions	Deductions	As at 31.03.2026	As at 01.04.2025	Deletions	Revaluation Adjustment	Depreciation for the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
1	Land	576.77	171.61	3,520.91	0.00	0.00	4,269.29	0.00	0.00	0.00	0.00	0.00	4,269.29	4,097.68
2	Factory Buildings	2,164.24	475.10	604.40	43.54	0.00	3,287.28	1,694.88	0.00	19.14	79.04	1,793.06	1,494.22	1,428.37
3	Other Buildings	3,325.24	503.09	445.47	0.00	0.00	4,273.80	2,166.92	0.00	14.11	125.98	2,307.01	1,966.80	2,045.09
4	Temporary Sheds	30.70	0.80	0.00	0.00	0.00	31.51	31.50	0.00	0.00	0.00	31.50	0.00	0.00
5	Plant & Machinery	50,115.91	20,664.80	30,707.78	12,479.17	36.09	1,13,931.57	34,437.59	0.00	1,166.90	2,458.75	38,063.29	75,868.27	51,874.99
6	Vehicles	702.52	1,673.11	0.00	102.41	0.64	2,477.40	1,530.64	0.00	0.00	236.23	1,766.86	710.54	364.73
7	Tractors	496.77	0.00	0.00	0.00	0.00	496.77	337.44	0.00	0.00	0.00	337.44	159.33	159.33
8	Cane Harvesting Machine	625.41	0.00	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	155.98	47.07	0.00	0.97	1.19	202.83	161.37	0.00	0.00	4.30	165.67	37.17	40.37
10	Office Equipment's	195.44	39.30	0.00	97.27	0.00	332.01	149.98	0.00	0.00	15.94	165.92	166.09	66.95
11	Data Processing Machines	200.64	19.20	0.00	6.18	0.03	225.98	178.08	0.00	0.00	11.70	189.77	36.20	40.84
12	Compost Yard	0.00	577.30	0.00	41.17	5.31	613.16	530.30	0.00	0.00	15.49	545.79	67.37	0.00
13	Water Pipeline Project	0.00	371.78	0.00	0.00	0.00	371.78	122.45	0.00	0.00	23.69	146.14	225.64	0.00
14	Turbo Generator Sets	0.00	977.42	0.00	0.00	0.00	977.42	243.56	0.00	0.00	25.15	268.71	708.71	0.00
15	Spent wash Dryer	0.00	1,660.73	0.00	327.78	0.00	1,988.51	0.49	0.00	0.00	89.72	90.21	1,898.30	0.00
16	Microbiology Laboratory	0.00	23.27	0.00	0.00	0.00	23.27	20.30	0.00	0.00	0.77	21.07	2.20	0.00
17	Molasses Storage Tanks	0.00	1,656.01	0.00	0.00	0.00	1,656.01	727.26	0.00	0.00	100.15	827.41	828.60	0.00
18	2 MW Gas Genset	0.00	940.88	0.00	0.00	0.00	940.88	49.91	0.00	0.00	6.23	56.14	884.74	0.00
Total - I		58,589.62	29,801.47	35,278.57	13,098.49	43.26	1,36,724.88	42,976.82	0.00	1,200.14	3,193.13	47,370.14	89,354.75	60,149.62

II. Intangible Assets

1	ERP Software's	32.71	0.00	0.00	20.00	0.00	52.71	0.10	0.00	0.00	1.11	1.21	51.50	32.61
Total - II		32.71	0.00	0.00	20.00	0.00	52.71	0.10	0.00	0.00	1.11	1.21	51.50	32.61

Grand Total (I+II)	58,622.33	29,801.47	35,278.57	13,118.49	43.26	1,36,777.59	42,976.92	0.00	1,200.14	3,194.24	47,371.35	89,406.24	60,182.23
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III. Capital Work in Progress (CWIP)

1	Capital Work in Progress	7,047.60	0.00	0.00	326.37	6,737.60	636.37	0.00	0.00	0.00	0.00	0.00	636.37	7,047.60
Total - III		7,047.60	0.00	0.00	326.37	6,737.60	636.37	0.00	0.00	0.00	0.00	0.00	636.37	7,047.60

Capital Work in Progress Ageing Schedule

Particular	As at 31st March,2026				Total
	< 1 Year	1-2 years	2-3 Years	> 3 Years	
Projects in Progress	326.37	-	310.00	-	636.37

As at 31st March,2025				Total
< 1 Year	1-2 years	2-3 Years	> 3 Years	
6,515.41	532.19	-	-	7,047.60

Note 1 * CWIP does not include any project, completion of which is over or has exceed its cost as per plan.
 * The Company has taken over the business of Siddapur Distilleries Limited pursuant to the Scheme of Amalgamation. For further details, refer to Note 28.The immovable properties acquired pursuant to the Scheme of Amalgamation are required to be registered in the name of the Company.

NOTE 12**Non-Current Investments****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Other Investments		
Unquoted (Valued at cost)		
(i) Investments in Co-operative Bank	2,754.09	871.52
(ii) Investment in Shri Prabhulingeshwar Souharda Pattina Sahakari Sangh Niyamith, Jamkhandi	0.10	0.10
(iii) Investment in Optionally Convertible Redeemable Preference Shares of Gudagunti Sugars and Bioenergies Private Limited, Jamkhandi *	4,000.00	4,000.00
(iv) Investment in Long-term Subordinated Bonds of Cosmos Co-operative Bank Ltd. #	115.00	115.00
(v) Fixed Deposit -SBI Comm Br-Hubli	112.83	-
Total	6,982.02	4,986.62

* The Company holds 1,750 Optionally Convertible Redeemable Preference Shares of Gudagunti Sugars and Bioenergies Private Limited, Jamkhandi, having a face value of Rs. 50,000 each, aggregating to Rs. 875.00 lakhs, together with securities premium of Rs. 2,625.00 lakhs. The aggregate cost of the said investment is Rs. 3,500.00 lakhs.

The Company also holds 1,000 Optionally Convertible Redeemable Preference Shares of the said company, having a face value and Security Premium of Rs. 50,000 each. The aggregate cost of the said investment of Rs. 500.00 lakhs.

Accordingly, the total investment held by the Company in Gudagunti Sugars and Bioenergies Private Limited as at 31 March 2026 amounts to Rs. 4,000.00 lakhs.

The Company has invested Rs. 115.00 lakhs in Long-term Subordinated Bonds issued by Cosmos Co-operative Bank Ltd., in accordance with the terms and conditions governing the issue of such bonds.

NOTE 13**Other Non-Current Assets****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Deposits -Secured Considered Good	79.30	71.54
Total	79.30	71.54

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

Particulars	As at 31 March 2026	As at 31 March 2025
Unquoted (Valued at cost)	-	-
In Equity Shares of Co-operative Banks	676.56	676.56
Total	676.56	676.56

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

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Stock in Process	772.54	-
(b) Finished Goods	86,802.63	68,533.53
(c) Stores and Spares	3,583.56	2,728.62
(d) Chemicals	215.00	120.90
Total	91,373.72	71,383.04

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

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured and Considered Good	2,513.94	12,027.25
Total	2,513.94	12,027.25

Note No: 16**The following table provides an ageing schedule of Trade Receivable outstanding as at 31 March 2026:****(Rupees in Lakhs)**

Sl.No	Particulars	Outstanding for the following periods from the due date of receipt					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	Undisputed Trade Receivables – Considered Good	426.60	43.89	473.63	1,027.60	542.21	2,513.94
(ii)	Undisputed Trade Receivables – Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Disputed Trade Receivables–Considered Good	0.00	0.00	0.00	0.00	0.00	0.00
(iv)	Disputed Trade Receivables – Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
	Total	426.60	43.89	473.63	1,027.60	542.21	2,513.94

The following table provides an ageing schedule of Trade Receivable outstanding as at 31 March 2025:**(Rupees in Lakhs)**

Sl.No	Particulars	Outstanding for the following periods from the due date of receipt					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	Undisputed Trade Receivables – Considered Good	11,135.61	0.00	252.85	1.16	637.63	12,027.25
(ii)	Undisputed Trade Receivables – Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Disputed Trade Receivables–Considered Good	0.00	0.00	0.00	0.00	0.00	0.00
(iv)	Disputed Trade Receivables – Considered Doubtful	0.00	0.00	0.00	0.00	0.00	0.00
	Total	11,135.61	0.00	252.85	1.16	637.63	12,027.25

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

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Cash and Cash Equivalents		
(i) Balances with Banks	5,709.89	2,403.01
(ii) Cash in Hand	4.98	1.47
Total	5,714.86	2,404.48

NOTE 18**Short-Term Loans and Advances****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured, Considered Good	7,140.72	6,540.09
Total	7,140.72	6,540.09

NOTE 19**Other Current Assets****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with Revenue Authorities	4,982.80	459.55
Total	4,982.80	459.55

Other explanatory notes related to the Profit and Loss Account Statement for the year ended 31st March 2026

NOTE : 20 Revenue from Operations**(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
a) Sale of Products	98,163.69	83,170.15
b) Other Operating Revenues	0.00	0.00
Revenue from Operations	98,163.69	83,170.15

Details of Sale of Products & Other Operating Revenues**(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
a) Sale of Products		
(i) Main Products		
(1) Sugar Domestic	61,340.26	57,159.90
(2) Sugar Export (Export through third party)	3,118.93	2,242.70
(3) Ethanol Sales - B Heavy Molasses	22,341.63	0.00
(4) Extra Neutral Alcohol (ENA)	7,714.00	0.00
(5) Power	2,053.50	2,265.17
Total Main Products	96,568.33	61,667.77
(ii) By Products		
(1) Molasses	-77.10	11,769.01
(2) Bagasse	768.06	4,206.18
(3) Organic Bio Fertilizers	785.42	0.00
(4) Sludge	3.68	0.00
(5) CO-2 Sales	113.00	0.00
Total By Products	1,593.06	21,502.37
Others	2.30	0.00
Total - (a) Sale of Products	98,163.69	83,170.15
b) Other Operating Revenues		
(i) Export Subsidy by Central Government (MAEQ)	0.00	0.00
Total - (b) Other Operating Revenue	0.00	0.00
Total (a+b)	98,163.69	83,170.15

NOTE : 21**Other income****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Interest Income	39.38	21.54
(b) Dividend Income	69.10	36.84
(c) Other non-operating income	624.45	382.37
Total	732.94	440.74

NOTE : 22**Cost of Materials Consumed****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Raw Material		
Opening Stock	120.90	80.38
Add: Purchases	73,742.99	70,642.64
	73,863.88	70,723.02
Less: Closing Stock	215.00	120.90
Total	73,648.89	70,602.12

Details of Purchases**(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Sugar Cane	69,525.74	69,704.73
(b) Molasses	2,164.51	0.00
(c) Bagasse	26.42	0.00
(d) Pressmud	32.03	0.00
(e) Compost Manure Expenses	95.82	0.00
(f) DM Water Charges	2.08	0.00
(g) Chemicals	1,896.39	937.92
Total	73,742.99	70,642.64

NOTE : 23**Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Stock		
Finished Goods and by-products	68,533.53	61,548.22
Add: Opening Stock lying in transferee books acquired pursuant scheme of merger	15,374.14	0.00
Work In Process	0.00	362.90
Add: Opening Stock in Process lying in transferee books acquired pursuant scheme of merger	647.54	
Less : Closing Stock		
Finished Goods and by-products	86,802.63	68,533.53
Work In Process	772.54	0.00
Total	-3,019.96	-6,622.41

NOTE : 24**Employee Benefits Expenses****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Salaries and incentives	3,905.96	2,556.45
(b) Employer's Contribution to Provident Fund	243.27	163.75
(c) Gratuity	242.21	129.77
(d) Leave encashment	95.04	49.64
(e) Employee Deposit Linked Insurance	7.07	6.82
(f) Staff welfare expenses	36.24	28.21
Total	4,529.80	2,934.65

Note : 25**Finance Costs****(Rupees in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Interest	12,030.16	8,653.08
(b) Bank Charges	441.58	261.62
Total	12,471.73	8,914.70

NOTE : 26**Other Expenses****(Rupees in Lakhs)**

Sl.No	Particulars	As at 31 March 2026	As at 31 March 2025
1	Fuel, Oil & Lubricants	615.18	133.07
2	Spares	435.88	493.28
3	Packing Materials	715.01	671.94
4	Bagasse Handling Expenses	77.91	40.29
5	Repairs and Maintenance of Machinery	772.64	309.57
6	Factory Maintenance - Other Assets	697.75	465.50
7	Sugar Bagging Expenses	37.91	41.81
8	Other Manufacturing Expenses	32.73	13.61
9	Directors Remuneration	240.00	150.00
10	Directors Travelling Expenses	6.58	12.35
11	Directors Sitting Fees	32.65	26.05
12	Legal, Consultancy , Professional Charges, Brokerage, and Commission	145.08	390.90
13	Postage, Telegram, and Telephone Charges	20.82	15.23
14	Printing and Stationery	11.74	4.71
15	Rent, Rates, Taxes, Electricity, Insurance, Collateral Management Charges, PF Administration Charges, and Power Import Charges etc	487.52	486.93
16	Repairs and Maintenance - Buildings, and Others	362.91	65.67
17	Travelling, Conveyance, Flood Aid, and Honorarium Expenses	76.20	62.39
18	Auditor's Remuneration		
	a) Audit Fees	13.00	7.00
	b) Tax and GST Audit	1.00	1.00
19	Selling & Distribution Expenses, and Business Promotions Expenses	245.99	244.95
20	Miscellaneous Expenses	335.78	292.03
21	CSR Expenditures	47.99	25.99
22	Assets Written Off	42.37	0.00
23	Company Bungalow Maintenance and Garden Expenses	16.72	0.00
24	Freight Charges- Ethanol and others	19.31	0.00
25	Green Belt and Plantation Maintenance	0.07	0.00
26	Lease Rent	0.00	0.00
27	Office Expenses	26.18	0.00
28	PRC Charges	7.38	0.00
29	Spent Wash Handling Charges	170.60	0.00
30	Sundry Creditors Written Off	3.91	0.00
	Total	5,698.81	3,954.27

Note 27:**Earnings Per Equity Share (Face Value Rs. 10 each)****(Figures are in Lakhs)**

Particulars	For the year ended 31st March,2026	For the year ended 31st March,2025
Profit / Loss for the Year	1,465.70	1,348.54
Weighted Average Number of Equity Shares *	976.72	466.19
Basic Earnings per Share (Face Value of Rs.10/- per Share)	1.50	2.89
Weighted Average Number of Equity Shares on Dilution Basis	976.72	466.19
Diluted Earnings per Share (Face Value of Rs. 10/- per Share)	1.50	2.89

*** Calculation of Weighted Average Number of Equity Shares for the Year Ended 31 March 2026**

Particulars	No. of Equity Shares	Appointed Date	Year-End Date	No. of Days	Weightage	Weighted No. of Equity Shares
Opening Equity Shares	4,66,18,595	01/04/2025	31/03/2026	365	1.00	4,66,18,595
Cancellation of Mutual Holdings Pursuant to the Scheme of Amalgamation (Refer Note No. 28)	-91,91,800	01/04/2025	31/03/2026	365	1.00	-91,91,800
Equity Shares Issued Pursuant to the Scheme of Amalgamation and Pending for Allotment (Refer Note No. 1A)	6,02,45,588	01/04/2025	31/03/2026	365	1.00	6,02,45,588
Weighted Average Number of Equity Shares						9,76,72,383

*** Calculation of Weighted Average Number of Equity Shares for the Year Ended 31 March 2025**

Particulars	No. of Equity Shares	Start Date	Year-End Date	No. of Days	Weightage	Weighted No. of Equity Shares
Opening Equity Shares	4,66,18,595	01/04/2024	31/03/2025	365	1.00	4,66,18,595
Movement in Equity Shares During the Year	0	01/04/2024	31/03/2025	365	1.00	0
Weighted Average Number of Equity Shares	4,66,18,595					4,66,18,595

Note No. 28 Scheme of Amalgamation

Shri Prabhulingeshwar Sugars and Chemicals Limited and Siddapur Distilleries Limited are engaged in the business of manufacturing sugar and ethanol.

In the year 2024, the Board of Shri Prabhulingeshwar Sugars and Chemicals Limited and Siddapur Distilleries Limited at their respective meetings held on 22 June 2024 approved the Scheme of Amalgamation under Sections 230 and 232 of the Companies Act, 2013 ('the Scheme'). Pursuant to the approval Scheme by the National Company Law Tribunal, Bengaluru vide its order dated 30th January 2026, the entire business undertaking of Siddapur Distilleries Limited including all assets and properties, debts, liabilities and duties and reserves have been transferred to and vested in the name of Shri Prabhulingeshwar Sugars and Chemicals Limited (the Company), retrospectively with effect from 1 April 2025 (the Appointed Date as per the Order). The certified copies of the Orders have been filed with the respective Registrar of Companies Bengaluru and the Scheme has been given effect to in these financial statements.

In terms of the Scheme, on the record date to be fixed, the Company is required to allot 6,02,45,588 equity shares of 10.40 (Ten point Four Zero) equity shares of Rs. 10 each of Shri Prabhulingeshwar Sugars and Chemicals Limited for every 1 (One) equity share of Rs. 10 each held in Siddapur Distilleries Limited. The equity shares held by the Siddapur Distilleries Limited in Shri Prabhulingeshwar Sugars and Chemicals Limited totaling to 91,91,800 get extinguished and annulled.

The amalgamation has been accounted under the 'Pooling of interests method' as prescribed under Accounting Standard 14 'Accounting for Amalgamations' (AS 14). Accordingly, the assets, liabilities and reserves of Shri Prabhulingeshwar Sugars and Chemicals Limited and Siddapur Distilleries Limited as at 1 April 2025 have been taken over at their book values and in the same form.

Various milestones for the scheme of Amalgamation are mention here with

Description of the Milestone	Date
1) Appointed Dated	01/04/2025
2) INC 28 Filed Dated	27/02/2026
3) INC 28 Approved Dated	24/03/2026

Details of the summarized values of assets and liabilities of Siddapur Distilleries Limited as acquired pursuant to the Scheme and the treatment of the difference between the net assets acquired and cost of investments of the Company together with the shares issued to the shareholders of Shri Prabhulingeshwar Sugars and Chemicals Limited are as under:

Particulars	Amount in Lakhs
Appointed Dated 01-04-2025	
Fixed Assets	20,543.20
Non Current Investments	1,547.57
Long Term Loans and Advances	7.77
Deffered Tax Assets	751.99
Inventories	17,237.31
Trade Receivables	1,460.22
Cash and Cash Equivalents	232.44
Short Term Loans and Advances	8,319.42
Total Assets	50,099.92

Long-Term Borrowings	13,120.89
Long-Term Provisions	574.48
Short-Term Borrowings	14,387.69
Trade Payables	12,377.02
Other Current Liabilities	2,626.85
Total Liabilities	43,086.93
Net Assets Acquired	7,012.99
Less Reserves Acquired on Amalgamation	6,433.71
Paid Up Capital of Siddapur Distilleries Limited	579.28
Share Capital issued as purchase consideration pursuant to the scheme of amalgamation	6,024.56
Excess of Purchase Consideration	5,445.27

The above excess adjusted against the reserves in the following manner

General Reserves	75.00
Surplus in Profit and Loss Account	5,370.27
Adjustment in Reserves and Surplus towards excess consideration paid	5,445.27

Loss on Cancellation of Mutual Share Holdings

Particulars	31st March 2025
Carrying amount of Investments held in SPSCL in the Books of SDL	1,113.70
Proportionate Share Capital which needs to be reduced	919.18
Loss on Cancellation of Mutual Holdings (1-2)	194.52

Note 29: Financial Ratios

Sl. No.	Particulars	Numerator	Denominator	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	Change	Explanation where the change is more than 25%
				Numerator	Numerator	Denominator	Denominator	Ratio	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	1,16,626.92	93,490.98	1,03,670.82	1,02,766.41	1.12	0.91	0.24	NA
2	Debt-Equity Ratio	Long Term Borrowings + Short Term Borrowings	Equity Share Capital + Accumulated Profits	1,06,647.06	72,909.49	15,872.35	9,577.20	6.72	7.61	-11.74%	NA
3	Debt Service Coverage Ratio	PAT + Depreciation + Finance Cost	Finance Cost + Current Maturities of Long Term Borrowings (of Previous Financial Year)	17,131.67	12,062.59	17,737.88	11,465.65	0.97	1.05	-8.20%	NA
4	Return On Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	1,465.70	1,348.54	12,724.77	8,902.93	11.52%	15.15%	23.96%	NA
5	Inventory Turnover Ratio (Days)	Average Inventory	Revenue from Operations	81,378.38	67,700.10	98,163.69	83,170.15	302.59	297	-1.84%	NA
6	Trade Receivable Turnover Ratio (Days)	Average Trade Receivables	Total Income	7,270.59	12,017.03	98,896.62	83,610.89	26.83	52.46	48.85%	The positive improvement is primarily attributable to the amalgamation with Siddapur Distilleries Limited, which previously contributed approximately 20% of the total turnover.
7	Trade Payable Turnover Ratio (Days)	Average Trade Payables	Cost of Raw Materials Consumed	38,445.53	32,302.46	73,648.89	70,602.12	190.53	167	-14.09%	NA
8	Net Capital Turnover Ratio	Total Income	Working Capital	98,896.62	83,610.89	-13,383.27	-9,275.43	-7.39	-9.01	18.02%	NA
9	Net Profit Ratio	Net Profit	Total Income	1,465.70	1,348.54	98,896.62	83,610.89	1.48%	1.61%	8.11%	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)	14,795.68	10,942.89	36,356.86	27,780.43	40.70%	39.39%	3.31%	NA
11	Return On Investment	Dividend Received From Shares In Co-Operative Banks	Time Weighted Average Investments	69.10	36.84	1,661.11	1,072.00	4.16%	3.44%	21.05%	NA

SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED

CIN: U85110KA1995PLC017861

NOTE NO 35 DISCLOSURE OF SEGMENT REPORTING FOR THE YEAR ENDED 31 MARCH 2026

Annexure 1

A. Primary Segment: Business Segments

(All amounts in Lakhs, unless otherwise stated)

Particulars	Sugar	Power	Ethanol	Extra Neutral Alcohol	Others / Unallocated	Total
1. Segment Revenue and Results						
a) Segment Revenue						
External Revenue	64,459.19	2,053.50	22,341.63	7,714.00	1,595.36	98,163.69
Inter-segment Revenue	-	-	-	-	-	-
Total Revenue from Operations	64,459.19	2,053.50	22,341.63	7,714.00	1,595.36	98,163.69
Other Income						
Other Non-Operating Income	481.28	15.33	166.81	57.60	11.91	732.94
Total Other Income	481.28	15.33	166.81	57.60	11.91	732.94
Total Segment Revenue	64,940.48	2,068.84	22,508.44	7,771.60	1,607.27	98,896.62
b) Segment Result						
Profit / (Loss) before interest and tax (EBIT)	10,601.73	337.74	2,736.14	944.72	224.50	14,844.84
Less: Finance Costs	3,039.24	-	2,399.66	309.54	6,723.29	12,471.73
Less: Unallocated Corporate Expenses	-	-	-	-	-	-
Add: Unallocated Income	-	-	-	-	-	-
Segment result before finance costs and tax	10,601.73	337.74	2,736.14	944.72	224.50	14,844.84
Profit / (Loss) Before Tax (PBT)	7,562.49	337.74	336.48	635.18	(6,498.79)	2,373.10
Less: Current Tax	-	-	-	-	858.24	858.24
Less: Deferred Tax	-	-	-	-	-	-
Prior period / Extraordinary items	-	-	-	-	49.18	49.18
Profit after tax / Net profit for the year	7,562.49	337.74	336.48	635.18	(7,406.22)	1,465.70
2. Segment Assets and Liabilities						
a) Segment Assets						
Segment assets	65,743.95	2,094.43	15,054.84	5,198.06	1,314.96	89,406.24
Unallocated Corporate Assets	-	-	-	-	-	-
Total Assets	65,743.95	2,094.43	15,054.84	5,198.06	1,314.96	89,406.24
b) Segment Liabilities						
Segment liabilities	40,546.28	1,291.70	464.21	160.28	454.82	42,917.29
Unallocated Corporate Liabilities	-	-	-	-	-	-
Total Liabilities	40,546.28	1,291.70	464.21	160.28	454.82	42,917.29
3. Other Segment Information						
a) Capital Expenditure						
Capital Expenditure (Additions during the period)	616.92	19.44	-	-	-	636.37
Unallocated Capital Expenditure	-	-	-	-	-	-
Total Capital Expenditure	616.92	19.44	-	-	-	636.37
b) Non-Cash Expenses						
Depreciation and Amortisation	1,856.86	59.15	908.07	313.53	56.64	3,194.26
Other Non-Cash Expenses other than depreciation	-	-	-	-	-	-
Total Non-Cash Expenses	1,856.86	59.15	908.07	313.53	56.64	3,194.26

B. Secondary Segment: Geographical Segments

The Company operates principally in India. Accordingly, no separate geographical segment disclosure is required.

Basis of allocation

Revenue and directly identifiable items are reported under the respective business segments. Common income, costs, assets, liabilities, finance costs and tax are allocated or disclosed on a reasonable basis consistent with the financial statements.

Others / Unallocated includes Press Mud, Bagasse and items not separately identifiable with the reportable Sugar, Power, Ethanol and Extra Neutral Alcohol segments. Depreciation is allocated based on segment assets.

Notes Forming Part of the Financial Statements

Shri Prabhulingeshwar Sugars and Chemicals Limited

For the year ended 31 March 2026

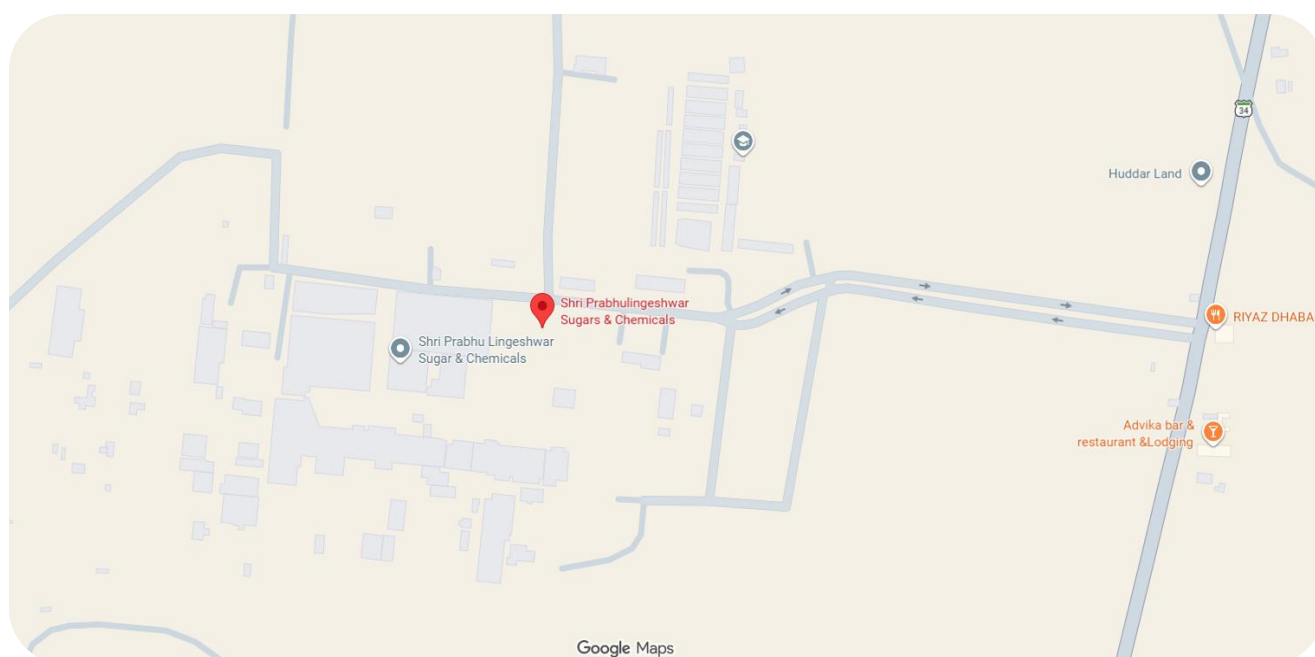
Note No. 30 Corporate Information

30.1 Corporate Profile

Shri Prabhulingeshwar Sugars and Chemicals Limited (“SPSCL” or “the Company”), bearing Corporate Identity Number (CIN) **U85110KA1995PLC017861**, is an unlisted public limited company incorporated in India and registered with the Registrar of Companies, Bengaluru. The Company was incorporated on 25 May 1995 and is domiciled in India.

The Company is principally engaged in sugar manufacturing and allied agro-industrial operations, including co-generation of power, distillery and ethanol operations, compressed biogas, compost organic manure, liquid bio-fertilisers and allied bio-based products. Its integrated operating model supports efficient utilisation of sugarcane and by-products, energy recovery, resource optimisation, value addition and sustainable long-term growth.

The Registered Office and principal manufacturing facilities of the Company are situated at the same integrated industrial complex, **Sy. Nos. 104, 100 & 96, Factory Site, Village Siddapur, Taluk Jamkhandi, Bagalkot, Karnataka – 587301, India.**



The Company's principal manufacturing operations are carried out at the integrated manufacturing complex situated at Siddapur, Taluk Jamkhandi, Bagalkot District, Karnataka. The facility serves as the core operational hub for sugar, power, distillery and allied agro-industrial activities.

30.2 Amalgamation of Siddapur Distilleries Limited

A significant milestone in the Company's corporate development was the amalgamation of **Siddapur Distilleries Limited ("SDL" or the "Transferor Company")** with **Shri Prabhulingeshwar Sugars and Chemicals Limited**, being the Transferee Company, pursuant to the **Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT")**, by its order dated 30 January 2026.

The Scheme was sanctioned under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder. Pursuant to the sanctioned Scheme, SDL was amalgamated with the Company in accordance with the terms and conditions thereof.

The amalgamation represents an important step in the Company's continuing development as an integrated agro-industrial enterprise. It has strengthened the Company's operating platform, expanded its business capabilities and created opportunities for enhanced operational synergies, efficient resource utilisation and a more diversified and resilient business model.

30.3 Principal Manufacturing Activities and Installed Capacities

A. Sugar Division – Sugar Manufacturing

The Sugar Division of the Company is principally engaged in the manufacture of white crystal sugar of exportable quality. The Division has an installed sugarcane crushing capacity of approximately **12,000 Tonnes Crushed per Day (TCD)** and generally operates for approximately **150 days during the crushing season**, subject to availability of sugarcane and prevailing operating conditions.

The Company also operates an integrated **co-generation power facility** associated with its sugar manufacturing operations, primarily utilising bagasse generated during the sugar manufacturing process. The facility has an installed power generation capacity of approximately **41.50 MW**, of which approximately **19.00 MW** is utilised for captive consumption and approximately **22.50 MW** represents exportable surplus power, subject to actual generation and operational requirements.

B. Distillery Division

Pursuant to the amalgamation of **Siddapur Distilleries Limited** with the Company, the Company's integrated manufacturing operations also comprise distillery and allied bio-based activities. The Distillery Division is engaged in the manufacture of **Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Carbon Dioxide (CO₂) and Compressed Biogas (CBG)** and other allied products.

The Division has an installed distillation capacity of approximately **220 Kilo Litres per Day (KLPD)** and undertakes the manufacture of ethanol and various spirit products, depending upon feedstock availability, product mix and applicable regulatory requirements.

The Division also undertakes **carbon dioxide recovery and utilisation** arising from the fermentation process, supporting the efficient utilisation of process by-products.

The Company's integrated bio-energy operations include the production of **Compressed Biogas (CBG)** through the processing and utilisation of suitable organic and bio-based feedstocks. These operations form part of the Company's integrated resource utilisation and renewable energy initiatives.

The Company also undertakes the manufacture of **compost organic manure and liquid bio-fertilisers**, facilitating productive utilisation of organic residues and supporting value addition from the Company's integrated agro-industrial operations. The principal products under this activity comprise compost organic manure and liquid bio-fertilisers, with production capacity of approximately **150–200 MT per day**.

The Distillery Division further includes an integrated **power generation facility** having an installed capacity of approximately **8.10 MW**, of which approximately **6.10 MW** is utilised for captive consumption and approximately **2.00 MW** represents exportable surplus power, subject to actual generation and operational requirements.

30.4 Integrated Business Model and Operational Outlook

The Company's integrated manufacturing platform enables the efficient utilisation of sugarcane and its by-products across sugar manufacturing, co-generation of power and distillery operations. This integrated model supports operational efficiency, resource optimisation, energy recovery and the development of value-added products.

The Company remains committed to **operational excellence, sustainable resource utilisation, responsible growth and the creation of enduring value for its stakeholders**. Its integrated manufacturing infrastructure provides a strong foundation for continued business development, enhanced operational synergies and the long-term resilience of its operations.

Our progress has been made possible by the dedication of our employees, the trust of our farmers, and the support of our stakeholders. As we move forward, we remain committed to strengthening our operational excellence, embracing innovation, and expanding our contribution to the agro-industrial and renewable energy sectors.

With a strong foundation and a clear vision for the future, we are confident of achieving new milestones and creating enduring value for all.

Note 31: Significant Accounting Policies and Practices

31.1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Rules, 2021, as amended, and other accounting principles generally accepted in India.

The Company is not required to comply with Indian Accounting Standards ("Ind AS") for the purpose of these financial statements.

The financial statements have been prepared under the historical cost convention, except where otherwise stated in the accounting policies, and on a going concern basis.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Actual results may differ from those estimates.

31.2. Revenue Recognition

- a. Revenue from sale of goods is recognized in accordance with AS 9 – Revenue Recognition and is presented net of GST, wherever applicable.
- b. Income from the sale of scrap is recognised upon completion of the sale.
- c. Dividend income is recognised when the Company's right to receive the dividend is established.
- d. Revenue from the sale of steam, press mud and other by-products is recognised on the basis of invoices raised in accordance with the relevant contractual terms.
- e. Government grants and subsidies are recognised in accordance with – Accounting for Government Grants when there is reasonable assurance that the attached conditions will be complied with and the grants will be received.

31.3. Inventories

Inventories are valued in accordance with AS 2 – Valuation of Inventories, as follows:

- a. Finished stock of sugar is valued at cost or estimated net realisable value (NRV), whichever is lower.
- b. Stores, spares and consumables are valued at cost.
- c. By-products, including molasses and bagasse, are valued at net realisable value.
- d. Ethanol, Rectified Spirit (RS) and others are valued at cost or estimated net realisable value (NRV), whichever is lower.

31.4. Cash Flow Statement

The Cash Flow Statement is prepared in accordance with AS 3 – Cash Flow Statements using the indirect method, whereby profit before tax is adjusted for non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows are classified into operating, investing and financing activities.

31.5. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of eligible GST credit, wherever applicable, less accumulated depreciation, if any, in accordance with AS 10 – Property, Plant and Equipment. Cost includes directly attributable expenses and applicable overheads incurred up to the date the asset is ready for its intended use. Capital work-in-progress is carried at cost.

31.6. Depreciation and Amortisation

Depreciable amount of an asset is determined as the cost of the asset, or any other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets is provided using the straight-line method over the useful lives prescribed under Schedule II to the Companies Act, 2013.

31.7. Government Grants

Government grants are recognized in accordance with AS 12 – Accounting for Government Grants. Revenue grants are recognized in the Statement of Profit and Loss in accordance with the terms of the relevant scheme and in the period in which they accrue.

31.8. Investments

Non-current investments are stated at cost in accordance with **Accounting Standard (AS) 13 – Accounting for Investments**. Where there is a decline, other than temporary, in the value of a long-term investment, the carrying amount of such investment is reduced to recognise the diminution in value.

Based on the assessment made by the management and the opinion of the Directors, there is no diminution in the value of the non-current investments which is considered to be other than temporary as at the reporting date. Accordingly, **no provision for diminution in the value of non-current investments has been considered necessary.**

31.9. Scheme of Amalgamation

9.1 General Information and Scheme of Amalgamation

Background. Pursuant to the Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Hon'ble National

Company Law Tribunal, Bengaluru Bench (“NCLT”), by its **order dated 30 January 2026**, sanctioned the amalgamation of Siddapur Distilleries Limited (“SDL” or the “Transferor Company”) with Shri Prabhulingeshwar Sugars and Chemicals Limited (“SPSCL” or the “Company”), being the Transferee Company.

In terms of the Scheme, the entire undertaking of the Transferor Company, together with all assets, liabilities, rights, obligations, licences, approvals, contracts, permits, employees and other interests, stands transferred to and vested in the Company as a going concern, without any further act, deed or instrument, subject to and in accordance with the terms and conditions of the sanctioned Scheme.

The amalgamation has been given effect from the Appointed Date specified in the Scheme and has been accounted for in these financial statements in accordance with the accounting treatment prescribed in the sanctioned Scheme, Accounting Standard (AS) 14 – Accounting for Amalgamations, the Companies Act, 2013, Schedule III thereto, and the Companies (Accounting Standards) Rules, 2021, as amended.

9.2 Appointed Date and Effective Date

In accordance with the approved Scheme:

- **Appointed Date:** 1 April 2025
- **Effective Date:** The date on which the certified copy of the order of the Hon’ble National Company Law Tribunal (“NCLT”) sanctioning the Scheme was filed with the Registrar of Companies by the respective companies, whereupon the Scheme became effective and operative in accordance with the provisions of the Companies Act, 2013, and the terms of the Scheme.
- The certified copy of the NCLT order sanctioning the Scheme was filed with the Registrar of Companies on **27 February 2026**, and the Scheme was approved on **24 March 2026**.

Accordingly, the assets, liabilities, income, expenses, and cash flows of the Transferor Company have been incorporated in the financial statements of the Company from the Appointed Date.

9.3 Accounting Framework and Basis of Accounting

The amalgamation has been accounted for as an “**Amalgamation in the Nature of Merger**” by applying the **Pooling of Interests Method**, in accordance with Accounting Standard **(AS) 14** – Accounting for Amalgamations, read with the accounting treatment prescribed in the approved Scheme of Amalgamation.

Accordingly, the following accounting treatment has been applied:

The financial statements include the financial results and cash flows of SDL from the **Appointed Date, i.e., 1 April 2025**.

9.4 Recognition and Measurement of Assets and Liabilities

Upon the Scheme becoming effective, all assets and liabilities of the Transferor Company, including property, plant and equipment, intangible assets, capital work-in-progress, inventories, investments, receivables, cash and bank balances, borrowings, provisions, contingent obligations and all other rights and obligations, have been incorporated in the books of the Company at their respective existing carrying amounts as appearing immediately before the amalgamation.

No adjustment has been made to reflect fair values or to remeasure identifiable assets and liabilities, except to the extent expressly required under the sanctioned Scheme and the applicable Accounting Standards.

9.5 Elimination of Inter-company Balances and Transactions

Upon implementation of the Scheme, all inter-company balances, investments, receivables, payables, loans, advances, and inter-company transactions between the Transferor Company and the Company have been identified and eliminated in full.

Accordingly, only balances and transactions with external parties are reflected in these financial statements.

9.6 Share Capital Issued Pursuant to the Scheme

In accordance with the share exchange ratio approved under the Scheme, the Company allotted equity shares to the eligible shareholders of Siddapur Distilleries Limited (the "Transferor Company") in the following ratio:

10.40 (Ten point Four Zero) equity shares of Rs. 10 each of Shri Prabhulingeshwar Sugars and Chemicals Limited for every 1 (One) equity share of Rs. 10 each held in Siddapur Distilleries Limited

Accordingly, the Company allotted **6,024,588 equity shares of Rs. 10 each**, aggregating to **Rs. 6,024.59 Lakhs** towards discharge of the purchase consideration payable under the Scheme.

Consequent to the implementation of the Scheme, the paid-up equity share capital of the Company stands as follows:

Particulars	Rupees in Lakhs Amount
Paid-up equity share capital before amalgamation	4,661.86
Equity shares issued pursuant to the Scheme	6,024.56
Less: Cancellation of cross-holding as per Clause W(iii) of the Scheme	(919.18)
Paid-up equity share capital after amalgamation	9,767.24

9.7 Goodwill / Capital Reserve

The excess of the consideration under the Scheme over the net identifiable assets acquired amounted to **Rs. 5,445.27 Lakhs**.

In accordance with the accounting treatment prescribed in the approved Scheme and AS 14, **no goodwill or capital reserve has been recognised**. The aforesaid difference has been adjusted against the post-amalgamation **Reserves and Surplus**, as specifically provided in the Scheme sanctioned by the Hon'ble NCLT.

Accordingly, no goodwill is carried in the books of account of the Company, and no amortisation or impairment adjustment arises.

9.8 Reserves and Accounting Adjustments

The reserves of SDL have been preserved and incorporated into the corresponding reserves of the Company in accordance with the Pooling of Interests Method.

Further, in accordance with the accounting treatment prescribed under the sanctioned Scheme:

- The excess of purchase consideration over the net identifiable assets acquired, amounting to **Rs. 5,445.27 lakhs** have been adjusted against the reserves and surplus of the Company. Out of this amount, Rs. 75.00 lakhs have been adjusted against the balance standing in the General Reserve, and the remaining amount of Rs. 5,288.86 lakhs have been adjusted against the surplus balance in the Profit and Loss Account.
- The loss arising on cancellation of the mutual holdings has been adjusted against the surplus balance standing in the Profit and Loss Account.

Consequently, no goodwill or capital reserve has arisen or been recognised pursuant to the Scheme of amalgamation.

The movement in Reserves and Surplus is summarised below:

Pursuant to the Scheme of Amalgamation, the following reserves and surplus of SDL have been transferred to SPSCS, subject to the adjustments specified in the Scheme.

Sr. No.	Particulars	General Reserves	Profit & Loss A/c	Share Premium	Capital Subsidy
		31st March 2025	31st March 2025	31st March 2025	31st March 2025
1	As per audited balance sheet of SDL as at 31 March 2025	75.00	5,288.86	619.85	450.00
2	Less: Amount transferred to merged balance sheet	75.00	5,288.86	619.85	450.00
3	Closing Balance	0.00	0.00	0.00	0.00

Note No. 2.VII:

Loss on Cancellation of Mutual Share Holdings

Sr. No.	Particulars	31st March 2025
1	Carrying amount of Investments held in SPSCS in the Books of SDL	11,13,70,421
2	Proportionate Share Capital which needs to be reduced	9,19,18,000
3	Loss on Cancellation of Mutual Holdings (1-2) *	1,94,52,421

9.9 Comparative Information and Presentation

The financial statements have been prepared after giving effect to the amalgamation from the Appointed Date, in accordance with the sanctioned Scheme and Accounting Standard (AS) 14.

Previous year's figures have been regrouped, reclassified, or rearranged, wherever necessary, to conform to the current year's presentation and to provide meaningful comparability after giving effect to the Scheme.

As the Appointed Date under the Scheme of Amalgamation is 1 April 2025, the financial statements for the previous year represent the financial position and results of the Company on a standalone basis and do not include the effects of the amalgamation. Consequently, the comparative figures for the previous year are not comparable with those of the current year.

9.10 Cash Flow Statement

The accompanying Cash Flow Statement includes the cash flows relating to the Transferor Company from the Appointed Date.

Cash flows arising from transactions between the Transferor Company and the Company have been eliminated in presenting the cash flows of the combined operations in accordance with the Pooling of Interests Method.

9.11 Management Assessment

Management has assessed the accounting treatment, disclosures and consequential adjustments arising from the Scheme and is of the view that the same are in accordance with the approved Scheme, Accounting Standard (AS) 14 and other applicable accounting requirements.

The implementation of the Scheme does not alter the going concern status of the Company, and the transferred undertaking has been integrated into the operations of the Company from the Appointed Date.

31.10. Employee Benefits

- a. The Company's monthly contributions to provident fund are deposited with the appropriate provident fund authorities and recognised as an expense in the period in which the related employee services are rendered.
- b. Liabilities for gratuity and compensated absences are determined on the basis of actuarial valuation in accordance with AS 15 – Employee Benefits.

31.11. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalised as part of the cost of such assets.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

31.12. Leases

Lease arrangements are accounted for in accordance with AS 19 – Leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the user's benefit. Lease income from operating leases is recognised on a straight-line basis over the lease term.

31.13. Earnings per Share

Basic earnings per share is calculated in accordance with AS 20 – Earnings Per Share by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, adjusted for the effects of all dilutive potential equity shares, wherever applicable.

31.14. Taxation on Income

a. Income tax expense comprises current tax and deferred tax charge or credit, accounted for in accordance with AS 22 – Accounting for Taxes on Income. Provision for current tax is made based on the tax rates applicable to the relevant assessment year.

b. Deferred tax is recognized on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are set off to the extent legally permissible and as applicable.

31.15. Impairment of Assets

The Company assesses at each reporting date, based on internal and external sources of information, whether there is any indication that an asset may be impaired, in accordance with AS 28 – Impairment of Assets. Any impairment loss is recognized as an expense in the Statement of Profit and Loss.

31.16. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in the Notes to Accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Note 32: Disclosure of Related Party Transactions

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

32.1 Key Management Personnel

Name	Designation
Shri Jagadeesh S. Gudagunti	Chairman and Managing Director
Shri Dharmalingayya J. Gudagunti	Executive Director
Shri Veerupakshayya J. Gudagunti	Executive Director and CFO

32.2 Related Party Transactions

(Rupees in Lakhs)

Name	Relationship	Nature of transaction	2025-26	2024-25
Shri J. S. Gudagunti	Chairman and Managing Director	Purchase of sugarcane	61.25	43.10
Shri J. S. Gudagunti	Chairman and Managing Director	Remuneration paid in the form of salary.	60.00	60.00
Shri V. J. Gudagunti	Executive Director	Purchase of sugarcane	45.40	70.50
Shri V. J. Gudagunti	Executive Director	Remuneration paid in the form of salary.	120.00	90.00
Shri V. J. Gudagunti	Executive Director	Rendering of services	0.00	0.10
Shri V. J. Gudagunti	Executive Director	Issue of fertilisers	0.00	11.66
Shri D. J. Gudagunti	Executive Director	Purchase of sugarcane	135.87	39.03
Shri D. J. Gudagunti	Executive Director	Purchase of cane seeds / seedlings	0.00	72.35
Shri D. J. Gudagunti	Executive Director	Sale of sugarcane seeds	0.00	7.27
Shri D. J. Gudagunti	Executive Director	Sitting fees	0.00	3.00

32.3 Gudagunti Sugars & Bioenergies Private Limited**(Rupees in Lakhs)**

Description	2025-26	2024-25
Cost of investments at the end of the financial year	4,000.00	4,000.00
Sale of Bagasse	0.00	139.97
Sale of Scrap	3.71	00
Purchase of Molasses	891.33	0.00
Purchase of Bagasse	26.42	0.00

32.4 Extract Engineering Works**(Rupees in Lakhs)**

Description	2025-26	2024-25
Purchase of goods	163.00	831.65
Sale of Goods	0.20	0.00

32.5 Gudagunti Infra Tech Private Limited**(Rupees in Lakhs)**

Description	2025-26	2024-25
Purchase of goods	28.66	23.29
Sale of goods	0.00	0.00

33. Disclosure Relating to Micro, Small and Medium Enterprises

The Company has identified Micro, Small and Medium Enterprises (MSMEs) based on the information available with the Company as on 31 March 2026.

The disclosures relating to amounts payable to MSMEs have been made in accordance with the requirements of the Micro, Small and Medium Enterprises Development Act, 2006.

The suppliers identified as MSMEs include:

Sl. No.	Name of Vendor
1	AB Automation
2	Abhay Engineering Company
3	Aishwaryaa Organic Pvt. Ltd.
4	Alif Engineers
5	Arohati Ingred LLP
6	Balaji Electro Controls Pvt. Ltd.
7	Bhagyashree Enterprises
8	BVL Power System Pvt. Ltd.
9	Dalal Chemicals
10	Devdhar Chemical Pvt. Ltd.
11	Diftech India
12	Ensurge Energy Solutions LLP
13	ESBEE Power Solutions Pvt. Ltd.
14	Godavari Enterprises
15	Indotech Speciality Pvt. Ltd.
16	Indpro Electronic Systems (I) Pvt. Ltd.
17	Kamakshi Engineerings
18	M. Ochhavlal & Co.
19	Maurya Infotek Pvt. Ltd.
20	Mojj Engineering Systems Ltd.
21	Nichrome Testing Laboratory & Research Pvt. Ltd.
22	Onkar Bearing Pvt. Ltd.
23	Raj Process Equipments & Systems Pvt. Ltd.
24	Rishab Steel Impex
25	Sai Non-Conventional Energy
26	Shivansh Precast Industry
27	Soham Industrial Insulation
28	Suyash Engineering Company
29	Techno-Flo Engineers Pvt. Ltd.
30	Thyssenkrupp Industries India Pvt. Ltd.
31	Uday Engineering Work

34. Confirmation and Reconciliation of Balances

Balances of certain receivables and payables, loans, and advances are subject to reconciliation and confirmation, and consequential adjustments to expenses / income, if any.

35. Segment Information

Segment Revenue, Segment Results, Segment Assets, and Segment Liabilities for the year ended 31 March 2026 are disclosed in **Annexure-1**, forming part of these Financial Statements.

36. Critical Accounting Estimates, Judgements and Assumptions

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

The estimates and underlying assumptions are based on historical experience and other factors considered 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 future periods affected.

36.1 Estimation of Net Realisable Value of Inventories

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

36.2 Recoverability of Trade Receivables

The Company assesses trade receivables at each reporting date and recognises an allowance for doubtful debts where collection is considered uncertain, based on the age of balances, historical recovery experience, specific customer information and other relevant factors.

36.3 Useful Lives of Property, Plant and Equipment and 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 a change in depreciation expense in future periods.

36.4 Valuation of Deferred Tax Assets and Liabilities

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

36.5 Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment benefits, such as leave encashment, and the present value of the gratuity obligation are determined using actuarial valuations.

An actuarial valuation involves making various assumptions that may differ from actual developments. These assumptions 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.

36.6 Provisions, Contingent Liabilities and Contingent Assets

The timing of recognition and quantification of provisions, contingent liabilities, and contingent assets requires the application of judgment to existing facts and circumstances, which are subject to change upon actual occurrence.

Judgment is required to estimate the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company and the possible inflow of resources in respect of claims made by the Company that are considered contingent in nature.

These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

37. Comparative Information and Reclassification

Previous year's figures have been reclassified, regrouped, or rearranged wherever necessary to conform to the current year's presentation.

38. Events after the Reporting Period

There are no material events occurring after the reporting period that require adjustment or disclosure in these financial statements, except as otherwise disclosed.

39. Approval of Financial Statements

The financial statements for the year ended 31 March 2026 were approved by the Board of Directors on 29th August 2026. The approval date must be completed before issuance.

For and on behalf of the Board of Directors
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)
UDIN: 26224944YJZOAV8484

Sd/-
D. J. Gudagunti
Executive Director
DIN 00801770

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

Sd/
M. C. Koti
Independent Director
DIN 05203944

Sd/-
C. D. Haragapure
Chief Executive Officer

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

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

Place: Siddapur

Date: 29th August 2026