



**SHRI PRABHULINGESHWAR
SUGARS & CHEMICALS LTD**

2023-24 ANNUAL REPORT

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ABOUT US

Our Company 'Shri Prabhulingeshwar Sugars and Chemicals Limited' (SPSCL) is entering into 25th year with redefining the sugar as

Sustainability

Unity

Growth

Accomplishment

Resilience



ABOUT:

Shri Prabhulingeshwar Sugars and Chemicals Limited” is one of the fastest-growing companies among sugar producers in Karnataka and India. Our sugar manufacturing units and the farmers associated with them have always maintained a symbiotic relationship, ensuring high yields and high sucrose content in the sugarcane. By leveraging our continuous and pioneering efforts to enhance sugarcane potential, we have grown on a larger scale.

Our commitment towards operational excellence, sustainability, and social responsibility remains unwavering. Looking ahead, we are confident that by working collaboratively with our stakeholders—shareholders, partners, lenders, employees, and sugarcane farmers, we can navigate the evolving sugar industry landscape and build a future of shared success.



We recognize that our success is inextricably linked to the well-being of our environment and the communities we operate within. We have made significant strides in sustainability efforts, aiming to reduce our carbon footprint and increase the use of renewable energy sources. This includes investments in co-generation plants that utilize bagasse, a sugarcane by-product, to generate electricity, lowering our dependence on fossil fuels.

SWEETNESS GENERATED UNDER REVIEW

18%



**Increase in Sugar
produced (approx.)**

864%



**Increase in units of
Power produced
(approx.)**

MISSION

Our Mission is to produce high-quality sugar through sustainable practices that prioritize environmental stewardship and empower farmers.

VISION

We are committed to fair trade, ethical sourcing, and innovative solutions that reduce environmental impact, while ensuring that farmers receive fair compensation, support, and resources to grow resilient, thriving communities.

CORE VALUES

01

Sustainability and Environmental Stewardship

We prioritize eco-friendly practices, reduce our environmental impact, and promote regenerative farming to ensure a sustainable future.

03

Innovation and Excellence

We continuously innovate to achieve excellence in our processes and products, while balancing growth with responsibility to the environment and society.

02

Farmer Empowerment and Fair Trade

We are committed to fair compensation, ethical sourcing, and providing farmers with the resources they need to thrive and grow resilient, sustainable communities.

04

Transparency and Community Collaboration

We uphold integrity and transparency in all relationships, working closely with communities and partners to achieve shared goals in sustainability and social equity.



Corporate Information

Board of Directors & KMP

Shri Jagadeesh S. Gudagunti
Chairman and MD

Shri Veerupakshayya J. Gudagunti
Executive Director & CFO

Shri Raveendragouda Geedigoudra
Company Secretary

Shri Rajendrakumar S. Gudagunti
Director

Shri Dharmalingayya J. Gudagunti
Director

Shri Deval A. Desai
Director

Shri Nagappa G. Sanadi
Director

Shri Mallappa C. Koti
Independent Director

Shri Mahantesh G. Hiremath
Independent Director

Shri Sudheer S. Gudagunti
Director

Smt. Ishwari A. Gudagunti
Director

Late. Shri Satish S. Gudagunti
Director

Management Team

Mr. B. S. Khyadi
General Manager (Eng)

Mr. S. C. Hipparagi
General Manager (E&I)

Mr. D. N. Halle
General Manager (Cane)

Mr. Sunil Holeppagol
General Manager (Prod)

Mr. M M Hiremath
Sr. General Manager (F&A)

Mr. Vinod Kumar K
General Manager (F&A)

Mr. A. M. Jayaprakash
AGM (Administration)

Mr. M P Kulkarni
Chief Chemist (WTP)

Mr. B. M. Balappagol
Dy. Chief Engineer (Civil)

Mr. V. S. Saraganachari
Sr. Manager (Stores)

Mr. P. P. Babannavar
Sr. Manager (F&A)



Corporate Information

PRINCIPAL BANKERS

Belgaum DCC Bank Ltd. Belagavi

Bank of India, Vijayapur

Bagalkot DCC Bank Ltd. Bagalkot

Basaveshwar Bank, Bagalkot

State Bank of India, Vijayapur

KSC Apex Bank, Bengaluru

**State Bank of India (ADB)
Jamkhandi**

HDFC Bank Bagalkot

Indian Bank Jamkhandi

Auditors

**M/s. Mahendra H & Co.,
Chartered Accountants, Banahatti
Statutory Auditors**

**M/s. Gopalakrishnaraj H.H. & Associates,
Company Secretaries, Bengaluru
Secretarial Auditors**

**Shri Sanjay K. Tikare,
Cost Accountant, Belagavi
Cost Auditors**

**Smt. Prafulla G. Melinamani,
Chartered Accountants, Jamkhandi
Internal Auditors**

Register office

**Sy. No.104,100 & 96 Factory Site,
Jamakhandi, Bagalkot, Siddapur Village,
Karnataka, India, 587301**

Factory Site

**Siddapur Village, Jamakhandi, Bagalkot,
Karnataka State, India - - 587301
Tel.No.08353-238200, 238004**

SUGAR Business

“**Shri Prabhulingeshwar Sugars and Chemicals Limited**” is one of the fastest growing companies among the sugar producers in Karnataka & India. SPSCL has a rich legacy when it comes to creating the finest quality sugar products in India with the brand name “PRABHU SUGAR”. We take pride in making “PRABHU SUGAR” easily available in the market. The abundant cane availability has helped us reach wider audience and offer them quality sugar products and services, at competitive prices.

During the financial year 2023-24, SPSCL has procured **20,36,124.557 (MT)** of Sugarcane and crushed **20,41,762.868 (MT)**. The Company has improved its production compared to previous year. Despite the socio and economic challenges faced by sugar industry, the company has managed to recover 9.29 (BH).



Implementation of cutting edge technologies has enhanced our productivity. Company is in the process of expanding Sugar In-house capacity suitable to 15,000 TCD Crushing.



20,41,763 (MT)

QUANTITY OF SUGARCANE CRUSHED

18,97,800 (QTLS)

QUANTITY OF SUGAR PRODUCED

44,103

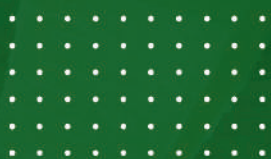
QUANTITY OF B- MOLASSES PRODUCED

50,221

QUANTITY OF C- MOLASSES PRODUCED

50,221

QUANTITY OF SUGAR SYRUP PRODUCED



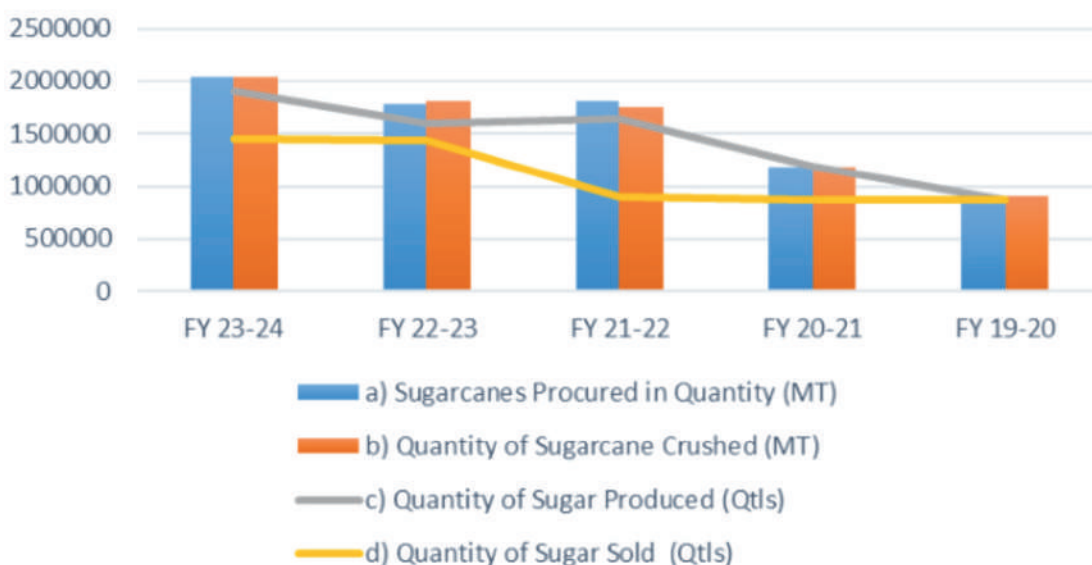
1. Utilization of Surplus Vapor: By redirecting syrup and by-products to the distillery for ethanol production, we are now able to capitalize on surplus vapor at the pan floor and utilize spare pans to manufacture higher-quality bolder grain sugar.

2. Juice Sulphitor Enhancement: The implementation of a SINGLE juice sulphitor for a capacity of 15,500 TCD, integrated with a Variable Frequency Drive (VFD), allows for adjustable stirrer RPM based on processing requirements. This flexibility leads to improved quality of clear juice, which subsequently enhances the overall quality of the sugar produced.

3. Improved Lime Purity: The adoption of high-purity imported lime has resulted in a notable reduction in overall lime consumption. This decrease also lowers the introduction of impurities through lime, contributing to a better quality of clear juice.

4. Syrup Clarification System: The availability of an effective syrup clarification system has minimized sedimentation in the sugar, ensuring that we meet the quality standards required by the soft drink industry.

Brief Analysis of Sugar Business



About COGEN

Cane industry is a large employment generator right from cultivation, harvesting, transportation to sugar processing in India. India has more than 700 sugar manufacturing units which manufacture sugar from sugarcane. In the past two decades after the introduction of cogeneration, most of the sugar units have opted for renewable energy production and consumption.

To increase the yield ratio of steam from bagasse and productivity in the business, our Company has invested in 5 TG Sets power plants with installed capacity of 55.5 MW and generation capacity of 41.5 MW and a boiler usage of 2 x 55 TPH + 1 x 145 TPH for the financial year. Our ability to harness the full potential of sugarcane in the country enabled us to expand our portfolio beyond sugar to include renewable energy in the brand name of **“PRABHU POWER”**.

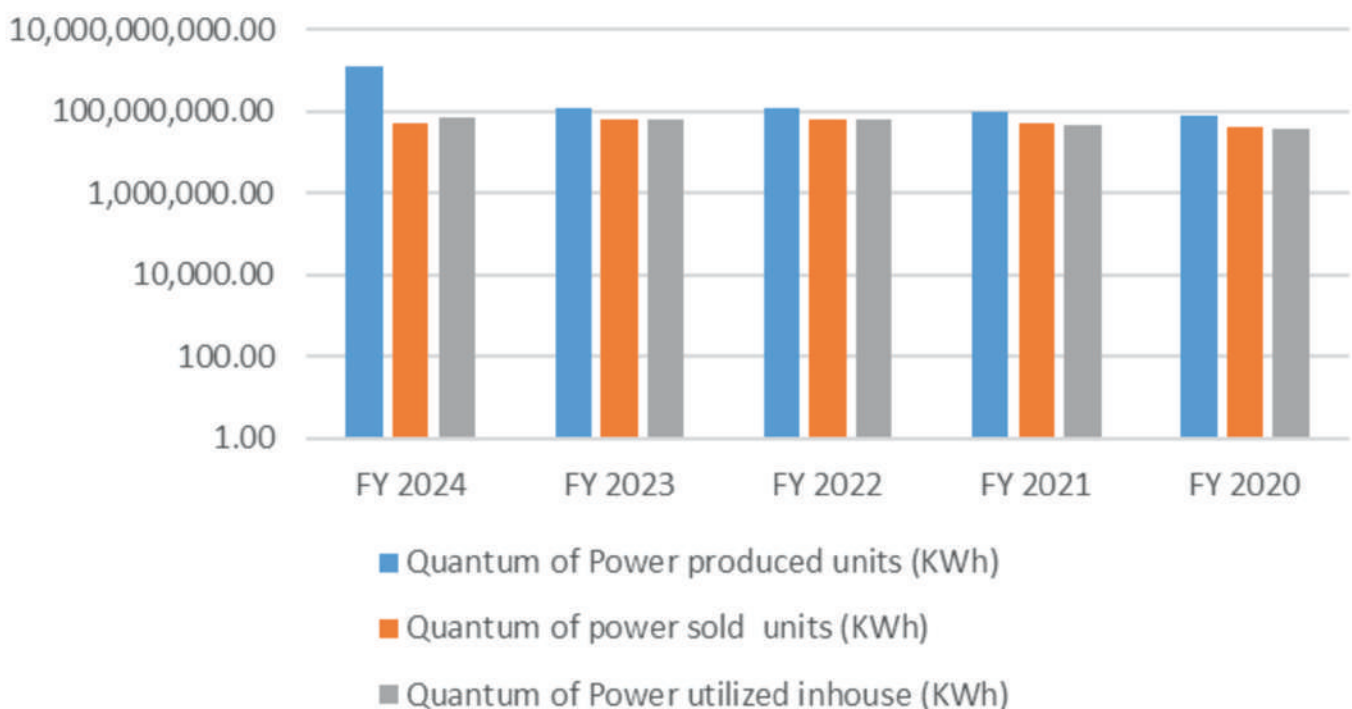
In the process of transforming and exploring ourselves, SPSCL has started to focus on sugarcane By-Products. We are pleased to inform that our company is deriving revenue from production of Power, Steam, Molasses, Syrup, Press Mud, Bagasse. We utilize bagasse to generate power since it is an eco-friendly route that aligns with our sustainability goals in promoting our brand **“PRABHU POWER”**

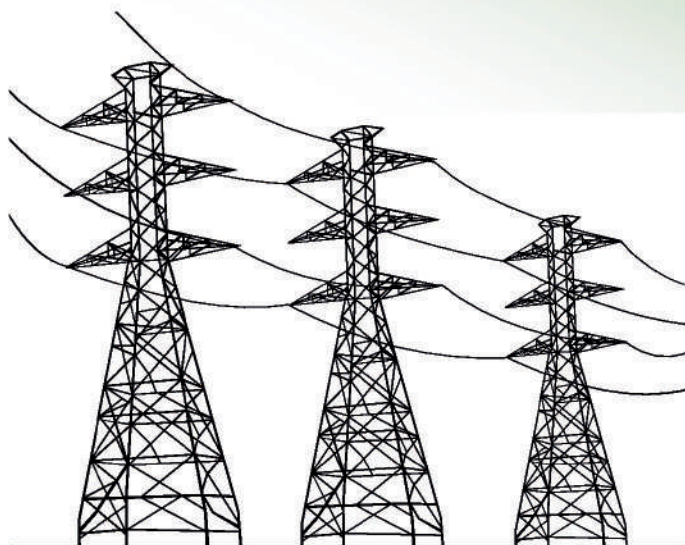


During the financial year the company has produced **1,19,94,64,876 (KWh)** units of quantum of power using bagasse. The Company has sold **51126250 (KWh)** units of Power and **7,20,47,896 (KWh)** units of power utilized in - house.

Our overall performance was amplified due to the enhancement in in - house utilization of power. With the collective effort and strategy decision making of our management, SPSCL is thriving to drive its business activities in eco-friendly, sustainable and responsible path.

Brief Analysis of CO-GEN Business





5,01,60,250 (KWH)

TOTAL QUANTUM OF POWER EXPORTED

11,76,33,600 (KWH)

TOTAL POWER GENERATED

*“Every Ounce of ‘Prabhu
Sugar’*

&

every unit of ‘Prabhu

Power’

*is thankful to our
stakeholders in making us*

“POWER-SUGAR”.

Ethanol Business

We are delighted to collaborate with our sister concern ‘Siddapur Distilleries Limited (SDL)’ in relation to Ethanol business. The performance of ethanol business has been a cornerstone for our company's growth strategy and key driver of our success. Our ethanol division has once again demonstrated remarkable resilience and innovation in a rapidly evolving market.

This year ethanol operations have achieved significant milestones, reflecting both our strategic foresight and the dedication of our team. The increase in production has enabled us to better meet the growing global demand for renewable energy. This expansion is in line with our commitment to enhancing energy sustainability and reducing our carbon footprint.



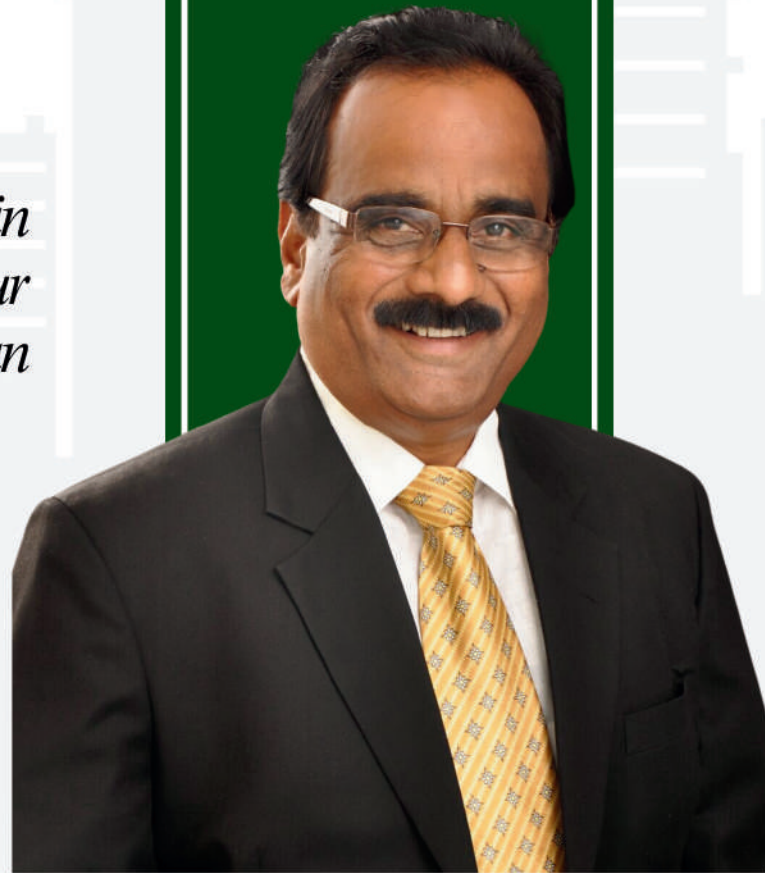
Our commitment to sustainability is at the heart of our ethanol business. This year, we have made significant strides in advancing our green initiatives. We have implemented new technologies that improve the energy efficiency of our production processes and have further invested in research to enhance the sustainability of our feedstocks. Our goal is to not only meet but exceed industry standards for environmental stewardship.

We would like to express our sincere gratitude to Shri Dharmalingayya J. Gudagunti, (WTD-SDL) and dedicated employees, whose hard work and commitment have been instrumental in our success.



We are here to bring sweetness in our stakeholders lives by adding our own values and taste to Indian Sugars.

MR. JAGADEESH S. GUDAGUNTI
Chairman & Managing Director



Dear Shareholders,

From the past 29 years, Shri Prabhulingeshwar Sugars and Chemicals Limited has been standing tall with the collective confidence of our people - our employees, stakeholders and vendors who have all been our inspiration and protecting their trust will always be very important to us. Hard work, sincerity, commitment and above all discipline are essential components for holistic growth. These have helped us in building long-standing relationships with all our stakeholders as well as our employees. As an organization, deeply rooted in values, we also take pride in evidencing the areas surrounding us slowly transform and flourish. This holistic approach and empathetic perspective has helped us achieve inclusive growth.

We strongly believe in the concept of sustainable development thereby creating our own legacy for the future generations to come.

“
**Working together is our culture,
growing together is our nature**
”

MR. VEERUPAKSHAYYA J. GUDAGUNTI
Executive Director & CFO



Dear shareholders,

As an organization, we have always been proactive in decision making. We understand that our success relies on fostering strong relationships with all our stakeholders. The past year has been a transformative one for our company. We weathered challenging market conditions, emerged stronger, and are now poised for future growth. Our commitment to operational excellence, sustainability, and social responsibility remains unwavering. Looking ahead, we are confident that by working collaboratively with our stakeholders – shareholders, partners, lenders, employees, and sugarcane farmers.

We can navigate the evolving sugar industry landscape and build a future of shared success. We are grateful for your continued support and invite you to explore this annual report for a more detailed understanding of our performance and future endeavors.

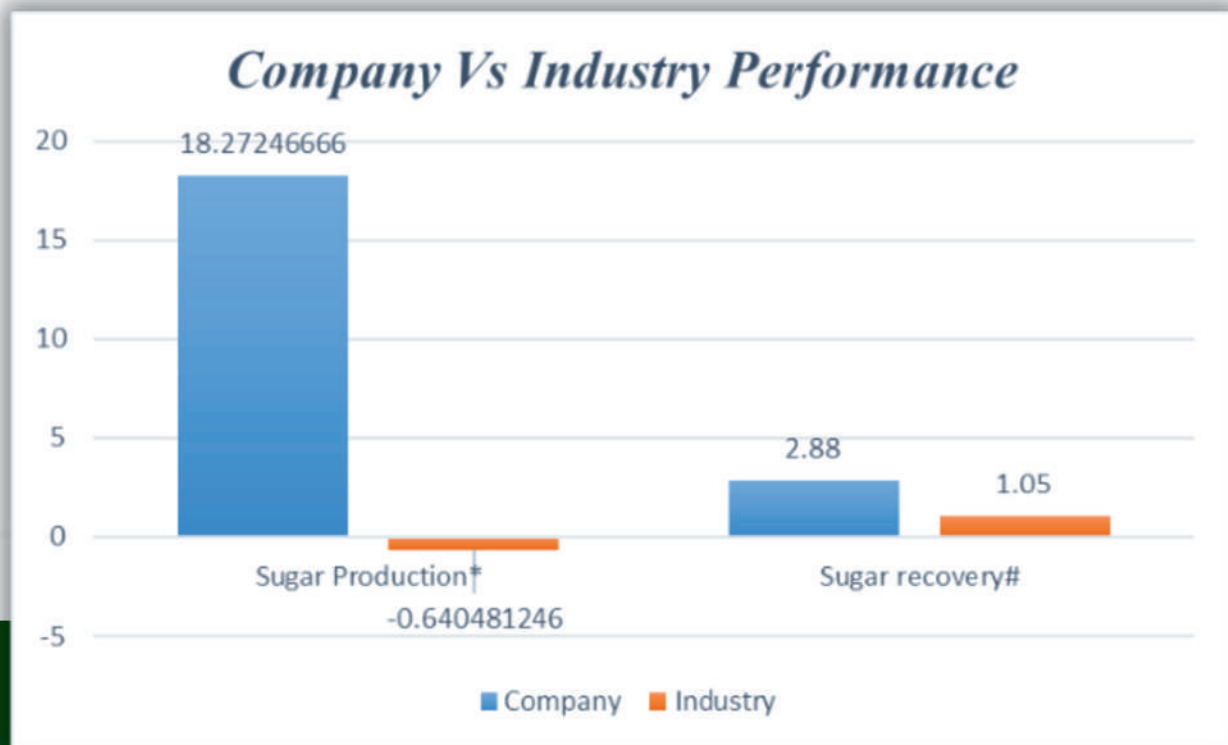
Management Analysis on Sugar Industry

During FY 2023-24, the global sugar industry witnessed a period of tremendous flux. Strong sugar prices globally, driven by factors such as reduced exports from India significantly reshaped the market dynamics presenting both challenges and opportunities for our Company. However, SPSCCL, with its unique approach and diversified strategies proactively encountered and succeeded in tackling these domestic challenges. Firstly, we are continuously striving to improve cane quality through investments in cane development initiatives. This not only increases sugar yield but also enhances the overall efficiency of our operations resulting in improvement of our sugar recovery this year. As a result, the company has sold 14,57,836 (Qtls) of Sugar during the financial year.



Central Government regulated export to keep the domestic sugar market stable:

While India strategically restricted sugar exports in 2023-24 to ensure domestic availability, this decision unquestionably impacted our exports and deprived Indian Sugar sector from realizing higher international prices. Further, limitations on diverting sugar towards ethanol production added another layer of complexity. In spite of changes in the policy of Government, Company performed well in comparison with the Industry.



WHILE INDIA STRATEGICALLY RESTRICTED SUGAR EXPORTS IN 2023-24 TO ENSURE DOMESTIC AVAILABILITY, THIS DECISION UNQUESTIONABLY IMPACTED OUR EXPORTS AND DEPRIVED INDIAN SUGAR SECTOR FROM REALIZING HIGHER INTERNATIONAL PRICES. FURTHER, LIMITATIONS ON DIVERTING SUGAR TOWARDS ETHANOL PRODUCTION ADDED ANOTHER LAYER OF COMPLEXITY.



Financial Highlights



₹ 76,652.74

Revenue from Operations
(In Lakhs)



₹ 10,431.45

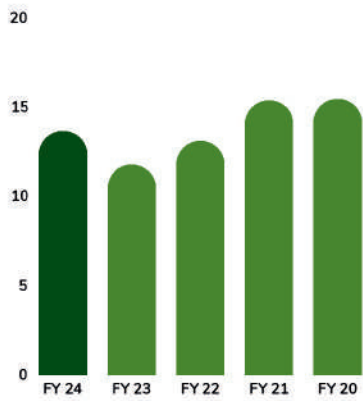
EBITDA (In Lakhs)



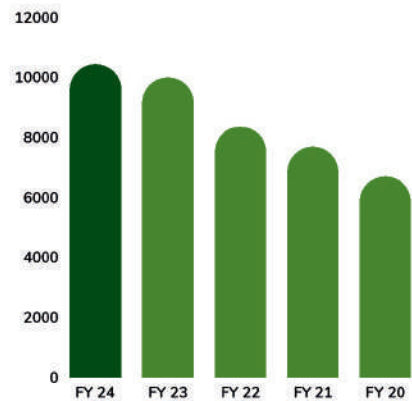
₹ 1,573.02

Profit After Tax

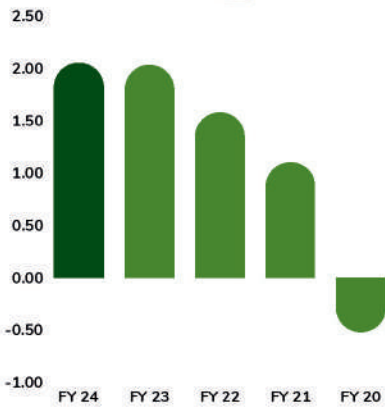




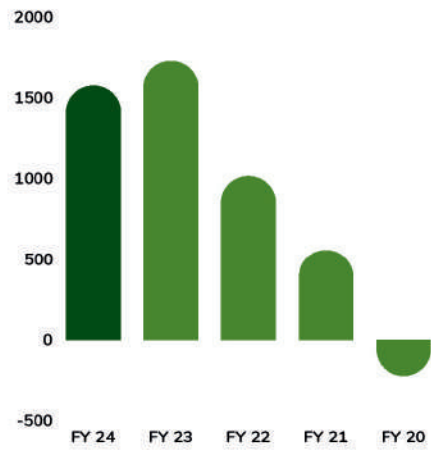
EBITDA (%)



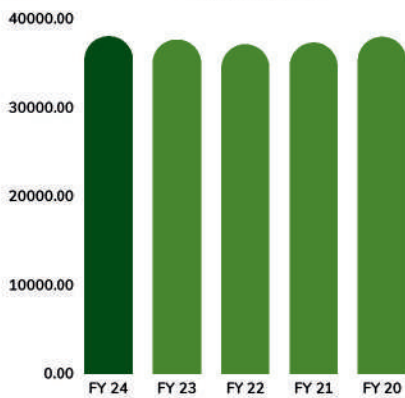
EBITDA



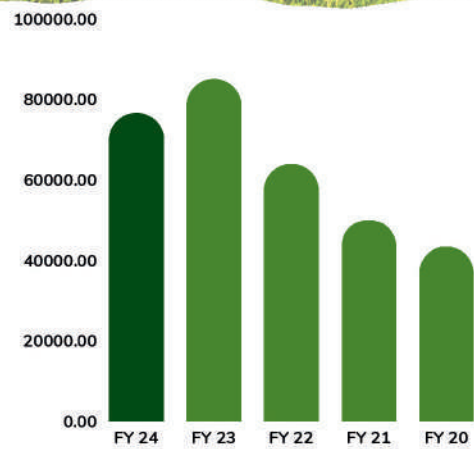
PAT (%)



PAT



Networth



Revenue (in Lakhs)

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE

EMPOWERING EDUCATION AND HEALTH IN SIDDHAPUR VILLAGE

" JUST AS ROOTS NOURISH A TREE, EDUCATION AND HEALTH SUSTAIN THE GROWTH OF A BRIGHTER FUTURE. JUST AS SUGAR SWEETENS LIFE, EDUCATION AND HEALTH ENRICH OUR FUTURE WITH PROMISE AND POTENTIAL. "

In alignment with our core values of fostering sustainable development and uplifting communities, our company proudly undertook a transformative CSR initiative in Siddhapur village, Jhamalkhand Taluka, Bangalkot district, Karnataka. Focused on the twin pillars of health and education, this initiative reflects our belief that the future of our nation is built in the classrooms and through the well-being of our children.



A JOURNEY OF HOPE AND TRANSFORMATION

**" EDUCATION AND HEALTH ARE THE POWER PLANTS
FUELING THE BRIGHT FUTURE WE ENVISION."**

Through our collaboration with 'Sri Prabhulingeshwar Shikshana Samsthe', a society registered under the Societies Registration Act, SPSCL embarked on a mission to revitalize the local school in Siddhapur village. This project was not just about repairing walls and upgrading facilities; it was about rekindling the spark of hope in the hearts of young students and empowering them to dream beyond their circumstances.



OUR COMMITMENT TO A BRIGHTER FUTURE

The total investment of **₹14,22,542/-** in this initiative reflects our unwavering commitment of making a tangible difference in the lives of the next generation. The impact of this project goes beyond numbers; it is measured in the smiles of the children, the pride of their parents, and the strengthened fabric of the community.

Keeping the future in view, we remain dedicated to continuing our efforts in education and health, recognizing that these are the keys for unlocking the potential of our communities. We believe that by investing in these areas, we are not just contributing to individual lives but are also helping build a foundation for a more prosperous and equitable society.

Our association with Siddhapur village is a testament to the power of collective effort and shared vision. Together, we are creating pathways to success, health, and happiness for the children of today, who will be the leaders of tomorrow.



AWARDS

The numerous awards and recognitions received by our company throughout the year underscore our commitment to excellence and innovation in the sugar industry. **The prestigious Life Time Achievement Award** bestowed upon Shri Jagadeesh Gudagunti by the Sugar Technologists Association of India highlights our leadership in the field. The state-level **Best Fuel Efficient Boiler award** and multiple accolades for co-generation and sugarcane development reflect our dedication to operational efficiency and sustainable practices. These honors not only enhance our reputation but also validate our efforts in advancing industry standards. The **Udyog Ratna** and **Vaniya Ratna** affirm our significant contributions to the economic and industrial landscape, while the **International Gold Star Millennium Award** and recognition from Indo-Nepal Friendship & Economic Co-operation emphasize our global impact. Collectively, these awards reinforce our position as a leading player in the industry, driving our commitment to excellence and innovation, and adding substantial value to our company's brand and operational success.

2009-10

Best Sugarcane Development Award 1st Prize

South Indian Sugar Cane and Sugar Technologist Association (SISSTA), Chennai

2011-12

Best Co-generation Award 2nd Prize, Karnataka

South Indian Sugar Cane and Sugar Technologist Association (SISSTA), Chennai

2013-14

Best Co-generation platinum award

From: South Indian Sugar Cane and Sugar Technologist Association (SISSTA)

2016-17

Life Time Achievement Award

- To: Shri Jagadeesh Gudagunti, C.M.D
- From: The Sugar Technologists Association of India (STAI), New Delhi

2022-23

Platinum Award for Best Sugarcane Development

- From: South Indian Sugar Cane and Sugar Technologist Association (SISSTA), Hyderabad

2023

- Chairman cum Managing Director, Shri. Jagadeesh S. Gudagunti, got elected as Member of the Legislative Assembly in Jamkhandi constituency in Karnataka

Best fuel efficient boiler - from Karnataka State Safety institute, Govt. of Karnataka.

Udyog Ratna - Institute of Economic Studies, New Delhi.

Vaniya Ratna - Karnataka Chamber of Commerce and Industries, Hubli

International Gold Star Millennium Award - Indo-Nepal Friendship & Economic Cooperation, Nepal

Best Performing Sugar Factory - The South Indian Sugarcane & Sugar Technologies Association, Hyderabad

OUR COMMITMENT TOWARDS STAKEHOLDERS

Suppliers /Farmers

Company during the FY 2023-24 touched approx. **22,418** farmers lives by way of procuring approx. **20,36,125 MT** of Sugarcanes directly from them.

Company was committed towards diverse and growing base for the farmers by way of eliminating the mediators and maintaining the supply chain sustainability. Company considered them as the real pillar of its Stakeholder eco-system.

Employees

Company as on 31st March, 2024 approx. **838** employees were employed and they were considered as one of the pillar of the Company growth.

Company was committed for their well-being by way of Health & Safety, engagement & empowerment, L & D.

Customers

Company was committed towards to the product safety & quality of the end users of Company's products – Sugar & Co-GEN Power & maintaining its consistency of 'value for money' positive feedback.

Shareholders

Company is maintaining its dedication to prioritising the interest & expectations of the shareholders by way of maintaining transparency, good corporate Governance, active engagement and by way of better financial performance. Thereby creating a long – term value to them.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **29th (Twenty Ninth)** Annual General Meeting of the Members of the **Shri Prabhulingeshwar Sugars and Chemicals Limited** will be held on Monday, September 30, 2024 at 03.00 P.M through Video Conferencing (“VC”)/other audio-visual means (“OAVM”) 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:

To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon;

2. APPOINTMENT OF SHRI NAGAPPA GADIGEPPA SANADI (DIN-00666766), WHO RETIRES BY ROTATION:

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

3. APPOINTMENT OF SMT ISHWARI ANAND GUDAGUNTI (DIN- 07110658), WHO RETIRES BY ROTATION:

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

SPECIAL BUSINESS:

4. REGULARIZATION OF ADDITIONAL INDEPENDENT DIRECTOR SHRI MAHANTESH GURULINGAYYA HIREMATH (DIN: 07610396) BY APPOINTING HIM AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV of the Companies Act, 2013 (“the Act”), and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the Articles of Association of the Company, and such other provisions as may be applicable, and on the recommendation of the Nomination and Remuneration Committee and based on the approval of the Board of Directors of the Company Shri Mahantesh Gurulingayya Hiremath (DIN: 07610396), who was appointed as an Additional Director categorized as Non-Executive Independent Director of the Company w.e.f 16th December 2023 and who holds office till the conclusion of this 29th 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 2 (Two) years i.e from September 30, 2024 to September 29, 2026;

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.”

5. REGULARIZATION OF ADDITIONAL DIRECTOR MR. SANTOSH SATEESH GUDAGUNTI (DIN: 10091669) AS NON-EXECUTIVE DIRECTOR OF THE COMPANY

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

“**RESOLVED THAT** Mr. Santosh Sateesh Gudagunti (DIN: 01835169), who was appointed as an Additional Non-Executive Director by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013 (the “Act”) effect from August 24, 2024. Who holds office upto the date of this Annual General Meeting and is eligible for appointment and has consented to act as Director of the Company, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation.”

6. APPROVAL FOR TRANSACTIONS WITH RELATED PARTIES

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

“**RESOLVED THAT** pursuant to first proviso to section 188 (1) of the Companies Act, 2013 and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the consent of the members of the Company be and is here by accorded to enter into transaction with the following related parties in which directors are interested for values stated therein (*excluding Taxes, Cesses, Duties as applicable*) in the manner described herein below for the financial year 2024-2025:

Name of the Related Party	Name of the interested Director	Nature of transaction Upto Value in (Rs. Lakhs) Period (FY 2024-25)	Under section
Siddapur Distilleries Limited	Mr. Jagadeesh S Gudagunti Mr. Veerupakshayya J Gudagunti Mr. Dharmalingayya J Gudagunti Mr. Rajendrakumar S Gudagunti Mr. Sudhir S Gudagunti Mr. Sathish S Gudagunti	Sale of Syrup Rs. 22000.00	188(1)(a)
Siddapur Distilleries Limited	Mr. Jagadeesh S Gudagunti Mr. Veerupakshayya J Gudagunti Mr. Dharmalingayya J Gudagunti Mr. Rajendrakumar S Gudagunti Mr. Sudhir S Gudagunti Mr. Sathish S Gudagunti	Sale of Molasses Rs. 16000.00	188(1)(a)

Siddapur Distilleries Limited	Mr. Jagadeesh S Gudagunti Mr. Veerupakshayya J Gudagunti Mr. Dharmalingayya J Gudagunti Mr. Rajendrakumar S Gudagunti Mr. Sudhir S Gudagunti Mr. Sathish S Gudagunti	Sale of Baggase Rs. 1800.00	188(1)(a)
Siddapur Distilleries Limited	Mr. Jagadeesh S Gudagunti Mr. Veerupakshayya J Gudagunti Mr. Dharmalingayya J Gudagunti Mr. Rajendrakumar S Gudagunti Mr. Sudhir S Gudagunti Mr. Sathish S Gudagunti	Sale of Press Mud Rs. 300.00	188(1)(a)
Siddapur Distilleries Limited	Mr. Jagadeesh S Gudagunti Mr. Veerupakshayya J Gudagunti Mr. Dharmalingayya J Gudagunti Mr. Rajendrakumar S Gudagunti Mr. Sudhir S Gudagunti Mr. Sathish S Gudagunti	Sale of DM Water Rs. 200.00	188(1)(a)

“RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary be and is/are hereby severally authorized to do all such acts, deeds and things as may deem necessary or expedient to give effect to the above resolution.”

7. TO CONSIDER CONFIRM AND RATIFICATION OF REMUNERATION TO COST AUDITORS

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

“RESOLVED THAT, pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of audit committee the remuneration of Rs.1,50,000/- excluding taxes as may be applicable, plus reimbursement of all out-of-pocket expenses, payable to Shri Sanjay K. Tikare, Cost Accountants appointed by the Board of Directors to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2025 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.”

8. RECLASSIFICATION OF EXISTING AUTHORISED SHARE CAPITAL AND CONSEQUENT ALTERATION OF MEMORANDUM OF ASSOCIATION

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

“RESOLVED THAT pursuant to the provisions of Section 61(1)(e) and 64 of the Companies Act, 2013, read with the corresponding Rules made thereunder, the consent of the members of the Company be and is hereby accorded to re-classify the existing Authorized Share Capital of the Company by cancelling the existing unissued 1,00,00,000 (One Crore) Preference shares of Rs.10/-(Rupees Ten) each and classifying into 1,00,00,000 (One Crore) Equity shares of Rs.10/-(Rupees Ten) each.

RESOLVED FURTHER THAT pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with the corresponding rules made thereunder, the existing Clause “V” of the Memorandum of Association of the Company relating to share capital be and are hereby altered accordingly.

RESOLVED FURTHER THAT the Board of Directors be authorised to take all necessary actions and to do all legal formalities in this regard.”

9. TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY

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

“RESOLVED THAT pursuant to Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules formed thereunder (including any statutory modifications, amendments thereto or re-enactment thereof, the regulations, rules, guidelines, if any, issued by the Government of India), the Articles of Association of the Company, and the consent of the Members be and is hereby accorded to increase the authorised share capital of the Company from INR 60,00,00,000 (Rupees Sixty Crores Only) divided into 6,00,00,000 (Six Crore) equity shares of INR 10/- (Rupees Ten only) each to INR 110,00,00,000 (One Hundred and Ten Crores only) divided into 11,00,000 (Eleven Crore) equity shares of INR 10/- (Rupees Ten only) each.

FURTHER RESOLVED THAT any Director of the Company be and is hereby severally authorized to sign and file all the requisite e-forms and other necessary documents as may be required with the statutory authorities including the Registrar of Companies, Bangalore; do such acts and deeds that may be required to give effect to this resolution; and authorize such person or persons to give effect to this resolution and to submit all documents to the concerned authorities with regard to the same.

FURTHER RESOLVED THAT all the Directors of the Company be and are hereby severally authorised to certify a copy of this resolution and issue the same to all concerned parties.”

10. REVISION IN REMUNERATION OF SHRI VEERUPAKSHAYYA J. GUDAGUNTI (DIN 07578798) WHOLE-TIME DIRECTOR & CFO

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board in accordance with section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and pursuant to the provisions of Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in remuneration of Shri veerupakshayya J. Gudagunti (DIN 07578798) Whole-time Director & CFO with effect from 01-09-2024 as set out in the statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things arising out of and incidental thereto as may be deemed necessary, proper, expedient, or incidental to give effect to this resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs or submission of necessary documents with any other concerned Authorities in connection with this resolution.

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

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

Place: Siddapur
Date: August 24, 2024

Registered Office:
Sy. No. 104, 100 & 96 Factory Site,
Village Siddapur, Jamakhandi, Bagalkot,
Siddapur 587301, Karnataka, India
CIN: U85110KA1995PLC017861
Tel: +91 9902043417
Website: www.prabhusugars.com
E Mail: prabhusugar.cs@gmail.com

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) vide its General Circulars Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, (‘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 29th AGM through VC or OAVM and the Notice of the AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ depository participant(s) for communication purpose.
2. 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 Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held VC/OAVM as per the MCA circulars, physical attendance of members has been dispensed with, pursuant to the Circular No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs. Accordingly, the facility for appointment of proxies by the members will not be made available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, the bodies corporate are entitled to appoint Authorised Representative to attend the AGM through VC/OAVM and participate thereat and cast their vote through e-voting.
4. 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.
5. 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.
6. Members are required to notify immediately, changes if any in their address, to Registered Office of the Company.
7. 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.

8. 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- 560027. Ph. No. 080 41329661. E-mail: cs_rta@bfsl.co.in or vp_rta@bfsl.co.in. Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates, to the concerned Depository Participants.
9. 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.
10. On account of threat posted by COVID-19 pandemic situation, the Company is sending Notice of the AGM along with Annual Report 2023-24 in electronic form to those members whose email ID is registered with the Company which is in consonance with the General Circulars issued by MCA and also uploaded company's official website.
11. The Process of obtaining AGM notice and Annual Report 2023-24, 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: cs_rta@bfsl.co.in or vp_rta@bfsl.co.in.
 - ii) It is clarified that for permanent registration of email address, members are requested to register their email addresses, in respect of electronic holdings, with their concerned Depository Participants and in respect of physical holdings, with the Company / Registrar and Share Transfer Agent, BgSE Financials Limited.
 - iii) Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants/ the Company and company's Registrar and Share Transfer Agent, BgSE Financials Limited, to enable servicing of notices/documents/ Annual Reports, electronically.
12. The Board has appointed Shri Gopalkrishnaraj H. H., Practicing Company Secretary, (Membership No. FCS-5654, Certificate of Practice No. 4152) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
13. In terms of Section 108 and all other applicable provisions, if any, of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014, as amended from time to time, the company is pleased to offer remote e-voting facility to all the members of the company in respect of the business to be transacted at the AGM. The company has engaged services of Central Depository Services (India) Limited ("CDSL"), as its agency for providing or facilitating e-voting.
14. E-voting cut-off date: The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at

09:00 A.M. (IST) on 27.09.2024 and will end at 05:00 P.M. (IST) on 29.09.2024. The remote e-voting module shall be disabled by CDSL for voting thereafter.

15. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on 23.09.2024, 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 in this regard, the latest being 9/2023 dated September 25, 2023 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 27.09.2024 and will end at **05:00 P.M. (IST)** on 29.09.2024. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-offdate 23.09.2024 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 FolioNumber 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.cs@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 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 prabhuganar.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 prabhuganar.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., 23.09.2024, 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 purpose 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.
5. The Register of Members and Share Transfer & Transmission Registers of the Company will remain closed from 21.09.2024 to 22.09.2024 (both days inclusive).

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 8 along with disclosures to be made for Item 2 and 3 as per Secretarial Standard – 2 on General Meetings issued by Institute of Company Secretaries of India.

Item No: 2

Mandatory disclosure under SS-2 for appointment of Shri Nagappa Gadigeppa Sanadi (DIN- 00666766), who retires by rotation:

Annexure to the Notice dated August 24, 2024		
Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on September 30, 2024		
[Pursuant to Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]		
S. No.	Particulars	Name of the Director
		Mr. Nagappa Gadigeppa Sanadi
1	DIN	00666766
2	Date of birth and Age	January 19, 1951 73 Years
3	Qualification	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.
5	Brief resume	Mr. Nagappa Gadigeppa Sanadi (73 years) is a proud farmer as well as Business Man. Who runs factory and schools 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	NA
7	Nature of appointment (appointment / re-appointment)	Appointment of Non-Executive Director.
8	Terms and Conditions of appointment / re-appointment	Appointment as Non-Executive Director and subject to retirement by rotation
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil

10	Date of first appointment on the Board	May 21, 1997
11	Shareholding in the company	Nil
12	The number of Meetings of the Board attended during the year	Not Applicable
13	Directorship Details of the Board	NA
14	Membership / Chairmanship of Committees of other Boards	Nil

Item No: 3

Mandatory disclosure under SS-2 for Smt Ishwari Anand Gudagunti (Din- 07110658), Who Retires by Rotation:

Annexure to the Notice dated August 24, 2024 Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on September 30, 2024		
[Pursuant to Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]		
S. No.	Particulars	Name of the Director
		Smt. Ishwari Anand Gudagunti
1	DIN	07110658
2	Date of birth and Age	March 01, 1989 35 Years
3	Qualification	Chartered Accountant, B.Com (A & F), Information System Auditor, Eligible Independent Director, Certified Course In Fraud Deduction and Forensic Accounting, Certified Course In Concurrent Audit Of Bank
4	Experience and expertise in specific functional areas	Tremendous 12 years of experience in the field of Auditing, accounting, costing and finance
5	Brief resume	Smt. Ishwari Anand Gudagunti (35 years) is proud member of Institute of Chartered Accountants of India having wide professional experience in the field of Auditing, Finance, Accounting, and Cost related matters.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	As a Women Non-Executive Director, relative of Shri Jagadeesh S. Gudagunti, Shri Dharmalingayya J. Gudagunti and Shri Veerupakshayya J. Gudagunti.

7	Nature of appointment (appointment / re-appointment)	Non-Executive Director (Women Director).
8	Terms and Conditions of appointment / re-appointment	Non-Executive Director and subject to retirement by rotation
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil
10	Date of first appointment on the Board	March 31, 2015
11	Shareholding in the company	NA
12	The number of Meetings of the Board attended during the year	06
13	Directorship Details of the Board	Women Director
14	Membership / Chairmanship of Committees of other Boards	NA

Item No. 4

Shri Mahantesh Gurulingayya Hiremath (DIN: 07610396) was first inducted to the Board at the Board Meeting held on 16th December, 2023 as the Additional Independent Director in terms of Section 149, 150, 152, 161(1), of the Companies Act, 2013. Shri Mahantesh G. Hiremath can hold office only up to the date of the ensuing Annual General Meeting. With respect to the same, the Company has received a consent and declarations in writing pursuant to the provisions of Section 149(6) of the Companies Act, 2013 proposing his candidature for appointment as Non-Executive Independent Director of the Company.

The Board is of the opinion that the appointment and presence of Shri Mahantesh G. Hiremath on the Board as Non-Executive Independent Director will be desirable, beneficial and in the best interest of the Company. The Board recommends the resolution set out in item no. 4 of the accompanying Notice for approval and adoption of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

Annexure to the Notice dated August 24, 2024 Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on September 30, 2024 [Pursuant to Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]	
S. No.	Particulars Name of the Director Shri Mahantesh G. Hiremath

1	DIN	07610396
2	Date of birth and Age	June 1, 1963 61 Years
3	Qualification	UPSC Civil Servant – EX IAS Officer
4	Experience and expertise in specific functional areas	More than 30 years of experience in the field of Management of Public Companies and related industries.
5	Brief resume	Shri Mahantesh G. Hiremath (61 years) has worked as Managing Director in Karnataka Rural Infrastructure Development Limited and in Hubballi-Dharwad Brts Company Limited. Also represented as Nominee Director in Belagavi Smart City Limited for several years. Now retired from the civil services and willing to dedicate his experience in Manufacturing industries.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	As a Non-Executive Independent Director, he is not related to any other Directors or Key Managerial Personnel.
7	Nature of appointment (appointment / re-appointment)	Appointment of Non-Executive Independent Director.
8	Terms and Conditions of appointment / re-appointment	Appointment as Non-Executive Independent Director and not required to retire by rotation
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil
10	Date of first appointment on the Board	December 16, 2023
11	Shareholding in the company	Nil
12	The number of Meetings of the Board attended during the year	During Financial Year 2023-2024, he has attended 3 Board Meetings
13	Directorship Details of the Board	Previously worked in the following entities; 1. Karnataka Rural Infrastructure Development Limited 2. Hubballi-Dharwad BRTS Company Limited 3. Belagavi Smart City Limited
14	Membership / Chairmanship of Committees of other Boards	Member of Audit Committee and NRC Committee.

Item No. 5

Mr. Santosh Sateesh Gudagunti (DIN: 10091669) was first inducted to the Board at the Board Meeting held on 24th August, 2024 as the Additional Director in terms of Section 161(1), of the Companies Act, 2013. Mr. Santosh S. Gudagunti can hold office only up to the date of the ensuing Annual General Meeting. With respect to the same, the Company has received a consent and declarations in writing pursuant to the provisions of Section 152 of the Companies Act, 2013 proposing his candidature for appointment as Non-Executive Director of the Company.

The Board is of the opinion that the appointment and presence of Mr. Santosh S. Gudagunti on the Board as Non-Executive Director will be desirable, beneficial and in the best interest of the Company. The Board recommends the resolution set out in item no. 5 of the accompanying Notice

for approval and adoption of the Members.

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

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

Annexure to the Notice dated August 24, 2024		
Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on September 30, 2024		
[Pursuant to Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]		
S. No.	Particulars	Name of the Director
		Mr. Santosh Sateesh Gudagunti
1	DIN	10091669
2	Date of birth and Age	September 24, 1994 30 Years
3	Qualification	Bachelors of Engineering in Mechanical Engineering. Masters of Science in Industrial Engineering.
4	Experience and expertise in specific functional areas	Required experience in handling Equipment's and systems with relates to sugar, steel, power points and chemical & fertilizers.
5	Brief resume	Mr. Santosh Sateesh Gudagunti (30 years) is associated as Director in Gudagunti Infra Tech Private Limited and extending his profession in the field of Manufacturing and Designing machines and tools, industrial chains, which suits Sugar, Cement, Steel, Boilers, Thermal Plants, Metal & Mining, various allied industries.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	As a Non-Executive Director, son of Late. Shri Satish Shivayya Gudagunti who acted as Non-Executive Director since inception of the Cmpany and Also Nephew to Shri Jagadeesh S. Gudagunti and Cousin to Shri Dharmalingayya J. Gudagunti and Shri Veerupakshayya J. Gudagunti.
7	Nature of appointment (appointment / re-appointment)	Appointment of Non-Executive Director.
8	Terms and Conditions of appointment / re-appointment	Appointment as Non-Executive Director and subject to retirement by rotation
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil
10	Date of first appointment on the Board	August 24, 2024
11	Shareholding in the company	Nil
12	The number of Meetings of the Board attended during the year	Not Applicable

13	Directorship Details of the Board	Worked as a Director and Promoter in Gudagunti Infra Tech Private Limited
14	Membership / Chairmanship of Committees of other Boards	Nil

Item No. 6

The members of the Company at the 28th AGM of the Company approved entering into related party transactions with Siddapur Distilleries Limited, Gudagunti Sugars & Bioenergies Private Limited and all concerned Directors & Members upto an amount of Rs. 11240 Lakhs for Sale of Syrup, upto an amount of Rs. 12076 Lakhs for Sale of Molasses and further investments in GSBPL per financial year.

In order to have sustained availability of quality raw materials, avail quantitative benefits for sale of certain of its products, ease of customer reach and in the best interest of the Company and its members/shareholders, the Company proposes the revision of transaction limit for entering into material related party transactions with Siddapur Distilleries Limited, and all concerned Directors & Members, related parties of the Company from time to time in suppression of the limits approved by the **members of the Company at 28th AGM.**

Though the proposed material transactions with stated related parties are as per resolution as set out in item no. 6 of this Notice would be in the ordinary course of business of the Company, the approval of the members of the Company is being sought as per the applicable provisions of the Act.

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

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

Item No. 7

The Board of Directors of your Company at their meeting held on August 24, 2024 approved the appointment and remuneration of Shri Sanjay K. Tikare, Cost Accountants, Firm Registration No. 000118 to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2025.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the Member of the Company.

Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2025.

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

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

Item No. 8

The Authorised Share Capital of the Company as on date is INR 60,00,00,000 (Rupees Sixty Crores) consisting of 5,00,00,000 Equity shares of INR 10 (Rupee Ten) each and 1,00,00,000 Preference Shares of INR 10 (Rupee Ten) each.

The Board of Directors in their meeting held on 22nd June 2024 accorded to the merger of Siddapur

Distilleries Limited (“Transferor Company”) with Shri Prabhulingeshwar Sugars and Chemicals Limited (“Transferee Company”) in terms of the Scheme of Arrangement between the Transferor Company and the Transferee Company. In this regard Shareholders of transferor Company will be allotted equity shares post-merger as drafted in the Scheme of Merger.

This reclassification will have a consequent effect on the equity share capital clause mentioned in the Memorandum of Association of the Company.

The provisions of the Act require the Company to seek the approval of the members for reclassification of the authorised share capital and thereby amending the capital clause of the Memorandum of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Your Board recommend the resolution for your approval as a Special Resolution.

Item No. 9

The Authorised Share Capital of the Company as on date is INR 60,00,00,000 (Rupees Sixty Crores) consisting of 5,00,00,000 Equity shares of INR 10 (Rupee Ten) each and 1,00,00,000 Preference Shares of INR 10 (Rupee Ten) each.

Pursuant Reclassification it will be changed to INR 60,00,00,000 (Rupees Sixty Crores) consisting of 6,00,00,000 Equity shares of INR 10 (Rupee Ten) each only.

The Board of Directors in their meeting held on 22nd June 2024 accorded to the merger of Siddapur Distilleries Limited (“Transferor Company”) with Shri Prabhulingeshwar Sugars and Chemicals Limited (“Transferee Company”) in terms of the Scheme of Arrangement between the Transferor Company and the Transferee Company. In this regard Shareholders of transferor Company will be allotted equity shares post-merger as drafted in the Scheme of Merger. The Board in their meeting held on 24th August 2024 accorded to increase the Authorised Capital from Rs. 60 Crores to Rs. 110 Crores.

The provisions of the Act require the Company to seek the approval of the members for increase in the authorised share capital and thereby amending the capital clause of the Memorandum of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

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

Item No. 10

Shri. Veerupakshayya J. Gudagunti was Re-appointed as Whole-time Director of the Company at 26th AGM held on 30th November 2021 for a period of 5 years. i.e till 29-11-2026.

Considering the Company’s performance, the progress made and targets achieved by the Company and as per the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 24th August, 2024 approved revision of remuneration of Shri. Veerupakshayya J. Gudagunti with effect from 01st September, 2024.

The revised annual remuneration is Rs. 10,00,000/- (Rupees Ten Lakh Only).

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revision in remuneration of Shri. Veerupakshayya J. Gudagunti, Whole-time Director & CFO as decided by the Board of Directors is required to be approved by the Members at their meeting due to inadequacy of profits. The remuneration is in line with the Industrial Standards for managerial personnel falling under

the same cadre. Thus, the Members are requested to consider revision in remuneration of Shri. Veerupakshayya J. Gudagunti.

Pursuant to the applicable provisions of the Companies Act, 2013, and relevant rules made thereunder, consent of the members is being sought by way of Special Resolution.

The Board of Directors recommend passing of the Special Resolution at item no 10 of the notice.

Directorship in other Companies:

	Particulars of Company	Designation	Date of Appointment
1	Siddapur Distilleries Limited	Director	28/09/2016
2	Gudagunti Sugars & Bioenergies Private Limited	Managing Director	02/06/2023

Membership in other Board Committee: Chairman of CSR Committee

Shareholding as on 31/03/2024: 3,36,000 Equity Shares of Rs. 10/- each

Information as per proviso (iv) of 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 of sugar and power generation.
- 2) Date of Expected / Date of Commencement of Commercial production v- The commercial production was started during the year 2000.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Existing Company - Not Applicable

4) Financial performance based on given indicators (In Lakhs)

a. Turnover & Other Income	- 76652.74
b. Cost of Sales & Other Exp	- 66221.30
c. Operating Profit	- 10431.45
e. Share Capital	- 4661.86
f. Net-worth	- 38000.18
g. Profit for the year (After Tax)	- 1573.02

- 5) Foreign investment or collaborations if any - Nil.

II. Information about the Appointee

- 1) Background details : Mr. Veerupakshayya J. Gudagunti is an Industrial Engineering & Management graduate from R. V. College of Engineering, Bengaluru, one of the most reputed Colleges in Karnataka. He is also Director in M/s. Siddapur Distilleries Ltd., Siddapur.
- 2) Past Remuneration: Rs. 5,00,000/- per month
- 3) Recognition or awards: He was Convener of College Fest for consecutive two years. He did project on sugarcane harvesters for which he received a "BEST PROJECT AWARD" during his college days.
- 4) Job profile and his suitability: Shri. Veerupakshayya J. Gudagunti is expert in sugar and related industries.
- 5) Remuneration proposed: Rs. 10,00,000/- 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 with respect to the country of his origin): The remuneration proposed is at par with the other companies in the same line of business.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any. - Shri. Veerupakshayya J. Gudagunti is son of Shri. Jagadeesh S. Gudagunti, Chairman and Managing Director and younger brother of Shri. Dharmalingayya J. Gudagunti. Shri. Veerupakshayya J. Gudagunti is holding following number of shares in the company himself and his relative's shareholding is given as below.

Names of relatives	Equity Shares holding
Shri Veerupakshayya J. Gudagunti	3,36,000
Shri Jagadeesh S. Gudagunti	1,37,31,834
Shri Dharmalingayya J. Gudagunti	13,07,000
Shri Rajendrakumar S. Gudagunti	10,36,334
Shri Sudheer S. Gudagunti	8,79,134
Sudheer S. Gudagunti (HUF)	1,37,500
Shri Sateesh S. Gudagunti	9,56,035

III. Other Information:

1) Reasons for inadequacy of profits - The collective remuneration proposed for all directors is exceeding the limits specified under section 197 of the Companies Act, 2013.

2) Steps taken or proposed to be taken for improvement – The Board is taking continuous efforts to increase the profitability.

The specific steps are: Company is presently expanding Boiler Unit and under scheme of Merger with SDL (SIDDAPUR DISTILLERIES LIMITED)

3) Expected increase in productivity and profits in measurable terms

Turnover	-	Rs. 1100 Crores
Operating Profit/Loss	-	Rs. 170 Crores
Net worth	-	Rs. 415 Crore

- IV. Disclosures – As the company is an unlisted public company these provisions are not applicable to the company.

As per provisions of the Companies Act, 2013, the appointment made by the Board of Directors and the remuneration to be paid are subject to consent of the members in general meeting. Accordingly, the resolution is placed before you as a Special resolution for your consent and approval.

Shri Jagadeesh S. Gudagunti, Shri Dharmalingayya J. Gudagunti and Shri Veerupakshayya J. Gudagunti, Directors are concerned or deemed to be interested in the resolution.

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

Place: Siddapur
Date: August 24, 2024

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

BOARD'S REPORT FOR THE FINANCIAL YEAR 2023-24

Dear Members,

Your Directors hereby present the Twenty Ninth Annual Report of your Company on the business and operations for the year ended March 31, 2024.

1. FINANCIAL SUMMARY AND PERFORMANCE OF THE COMPANY:

OPERATING RESULTS:

(Rs. In Lakhs)

SI No	Particulars	2023-24	2022-23
1	Revenue from Operations	76,410.09	84,783.16
2	Other Income	242.65	240.95
3	Total Income	76,652.74	85,024.11
3	Operating Profit	10431.45	9,991.46
4	Interest & Processing Charges	6,915.51	6,404.85
5	Depreciation	1,721.04	1,620.61
6	Net Profit After Tax	1,573.02	1,728.36
7	Balance of Profit brought forward from the previous year.	1,993.78	265.42
8	Balance carried to Balance Sheet	3,566.80	1,993.78
9	Earnings Per Share (Rs.)	3.37	3.71
10	Share Capital	4,661.86	4,661.86
11	Net Worth	38,000.18	37,627.30

PRODUCTION PERFORMANCE FOR THE YEAR 2023-24 & 2022-23

A) SUGAR DIVISION: (Season-wise)

SI No.	Particulars	2023-24	2022-23
1	Sugarcane Crushed (MT's)	20,36,124.557	17,76,352.868
2	Sugar Produced (Qtls)	18,87,450	15,74,300
3	Recovery (%)	10.63%	11.75%
4	Export of Sugar (Qtls)	0.00	2,29,130

B) SUGAR DIVISION: (Financial year wise)

SI No.	Particulars	2023-24	2022-23
1	Sugarcane Crushed (MT's)	20,41,762.868	18,08,177.97
2	Sugar Produced (Qtls)	18,97,800	16,04,600
3	Sugar Recovery (%)	10.65%	11.73%
4	Export of Sugar (Qtls)	0.00	256065

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

SI No.	PARTICULARS	2023-24	2022-23
1	Power Exported (Units)	5,11,26,250	6,53,53,750
2	Power Average rate (PU)	Rs.4.85	Rs.6.32
3	Total Value (Rs)	24,81,43,676	41,33,86,300

2. INDUSTRIAL SCENARIO:

Sugar Industry:

Indian sugar industry overview:

India produced around 34 million metric tons of sugar in the 2023-2024 season, making it the world's second largest producer after Brazil. India's sugar sector is the second largest agro-based industry, after cotton, and employs around 5,00,000 people in sugar mills. The sugar industry also supports the livelihoods of sugarcane farmers in rural areas.

Experts predict that India will produce 34.5 million metric tons of sugar in the 2024-2025 season, with 4 million metric tons going to ethanol production. However, the Indian Sugar Mills' Association (ISMA) predicts that production in Maharashtra will decrease from 11.85 million metric tons to 9.99 million metric tons, and in Karnataka from 6.58 million metric tons to 4.97 million metric tons. In contrast, ISMA predicts that Uttar Pradesh will produce 11.99 million metric tons, which is an increase from the previously anticipated 11.89 million metric tons.

Central Government regulated export to keep the domestic sugar market STABLE:

The Indian government has decided not to allow sugar exports for the 2023-24 season, which ends in October. The Indian Sugar Mills Association (ISMA) had requested permission to export 10 lakh tonnes of sugar, citing an expected healthy stockpile by season's end.

Sugar production for the 2023-24 season has already exceeded 30 million tonnes, with forecasts estimating up to 32 million tonnes. The government and ISMA's production estimates are closely aligned, both expecting around 31.5 to 32 million tonnes. To manage excess production, the government is considering allowing the use of surplus B-heavy molasses for ethanol production, aligning with sustainable energy goals.

These measures are intended to stabilise domestic sugar prices and manage surplus stocks effectively. The Indian government has officially put a hold on sugar exports for the ongoing 2023-24 season, which ends in October, leaving the industry's considerable export requests unmet. This decision is part of broader efforts to stabilise domestic sugar markets and prices.

Sugarcane Price – REMUNERATIVE to farmers!

The FRP of sugarcane for season 2023-24 was ₹340/quintal, increased by Rs. 25 from the previous season for a basic recovery rate of 10.25 per cent. Earlier, it was ₹315/quintal. However, there was a premium of ₹3.32/quintal for every 0.1 per cent increase in recovery over 10.25 per cent and a reduction of ₹3.32/quintal in FRP for every 0.1 per cent decrease in recovery.

FRP is the minimum price to be paid by sugar mills to farmers for buying sugarcane. However, as some states like Uttar Pradesh, Haryana and Punjab announce higher rates under State Advised Price (SAP), mills in those states abide by the state's set rates.

Ethanol – A Game Changer:

The Central Government's National Biofuel Policy 2018 articulated a higher blending ratio of ethanol with automotive fuel and empowered sugar companies to switch from the manufacture of sugar (which was earlier seen as mandatory) to ethanol. This forward-looking policy has proved to be a win-win for all stakeholders in the industry value chain. It has ensured that the benefits of bio-fuel manufacture translate to cane farmers in the form of timely and adequate compensation, helping build the country's agricultural sector from the grassroots upwards and reinforcing the rural economy. The policy has provided the country's sugar industry with a second wind; a number

of companies have invested aggressively in their distilleries; within just a few years, even as the larger proportion of revenue is being derived from sugar, the proportion of profit is being largely derived from distillery operations, enhancing shareholder value. The increased use of ethanol in automotive fuel (estimated at around 11% today and likely to increase to 20% in the next couple of years) has already begun to moderate vehicular pollution through a better fuel combustion in automotive engines, benefiting society. The enhanced use of ethanol has helped moderate oil imports with positive implications for the country's foreign exchange reserves and currency strength. The policy had such extensive multi-stakeholder upside, transforming the health of the country's sugar industry in a compressed period of time. The outcome is that a cyclical sector has turned sustainable and is likely to remain so across the foreseeable future. During the month of December-2023 Government imposed restrictions on the sugar companies fixing the maximum amount of sugar syrup that can be diverted for production of ethanol. This restriction is now lifted by the government due to which the company is forecasting a substantial increase in the top line.

Your company – a proactive player!

Your company, Shri Prabhulingeshwar Sugars and Chemicals Limited capitalised on these opportunities by investing in expansion of sugarcane capacity and reaped benefits in terms improved operating profitability. Enhanced capacity led to cost benefits due to economies of scale. The company diverted more sugar by producing sugar syrup and B-heavy molasses for ethanol. The company taken giant steps towards sugarcane development in the command areas. The company has also taken steps to clear sugarcane dues faster. Overall, these measures have resulted in extended crushing seasons with good sugar recovery.

3. EXTRACT OF THE ANNUAL RETURN:

Annual Return in Form MGT-7 is available on the Company's website, the web link for the same is www.prabhusugars.com

4. BOARD MEETINGS:

During the year the Board of Directors has met 6 times. The details and attendance of each director is given below:

Particulars	1 st Quarter	2 nd Quarter	3 rd Quarter		4 th Quarter	
	19/06/2023	22/08/2023	07/11/2023	16/12/2023	20/02/2024	26/03/2024
Shri J. S. Gudagunti	YES	YES	YES	YES	YES	YES
Shri V. J. Gudagunti	YES	YES	YES	YES	YES	YES
Shri R.S. Gudagunti	YES	YES	YES	YES	YES	YES
Shri Deval A. Desai	YES	YES	YES	YES	YES	YES
Shri Nagappa G. Sanadi	YES	YES	YES	YES	YES	YES
Shri Sudheer S. Gudagunti	YES	YES	YES	YES	YES	YES
Shri Sateesh S. Gudagunti	YES	YES	YES	YES	YES	YES
Shri D.J. Gudagunti	YES	YES	YES	YES	YES	YES

Smt. Ishwari A. Gudagunti	YES	YES	YES	YES	YES	YES
Shri M. C. Koti	YES	YES	YES	YES	YES	YES
Shri S. P. Hiremath	YES	YES	NA	NA	NA	NA
Shri M. G. Hiremath	NA	NA	NA	YES	YES	YES

COMMITTEES OF THE BOARD

The company has following committees of the Board. The details are given below:

Currently the Board has four core committees. The compositions of the Committees are as per the applicable provisions of the Companies Act 2013 read with corresponding rules as follows:

Members	Audit Committee	N.R.C. Committee	S. R. C Committee	C. S. R Committee	Chairman of the Committees
Shri Mallappa. C. Koti	YES	YES	-	YES	AC, NRC,
Shri Naagappa G. Sanadi	YES	YES	-	-	-
Shri Sudheer S. Gudagunti	-	-	YES	-	SRC
Shri S. P. Hiremath	YES	YES	-	-	-
Shri R.S. Gudagunti	-	-	YES	-	-
M. G. Hiremath	YES	YES	-	-	-
J. S. Gudagunti	-	-	-	YES	-
V. J. Gudagunti	-	-	-	YES	CSR
Deval A Desai	-	-	YES	-	-

MEETINGS OF THE COMMITTEES

a) Audit Committee:

During the Financial Year 2023-2024, the Audit Committee has met four times. The Details and attendance of each director is given below:

Members	19/06/2023	22/08/2023	20/02/2024	26/03/2024
Shri S. P. Hiremath	YES	YES	NA	NA
Shri N.G. Sanadi	YES	YES	YES	YES
Shri M. C. Koti	YES	YES	YES	YES
Shri M. G. Hiremath	NA	NA	YES	YES

b) Nomination and Remuneration Committee:

During the period under review NRC Committee meeting was held on 04th September, 2023. The Details and attendance of each director is given below:

Members	Designation	04/09/2023
Shri M. C. Koti	Chairman	YES
Shri N.G. Sanadi	Member	YES
Shri S. P. Hiremath	Member	YES

c) Corporate Social Responsibility Committee:

During the period under review CSR Committee meeting was held on 22nd August, 2023. The Details and attendance of each director is given below

Members	Designation	22/08/2023
Shri V. J. Gudagunti	Chairman	YES
Shri J. S. Gudagunti	Member	YES
Shri M. C. Koti	Member	YES

d) Stakeholders Relationship Committee:

The committee is in operation, however it was not met during the year as Company has not received any grievances from shareholders of the Company.

e) Share Transfer Committee:

The committee is in operation; however it was not met during the year as such nosuch situation arose.

f) Meeting of Independent Directors

Meeting of Independent Directors was held on August 22, 2023 without the presence of Executive Director and management personnel. All the Independent Directors were present at the Meeting.

Registration of Independent Directors in Independent Directors Databank

The Independent Directors of your Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

Online Proficiency Self-Assessment Test

Shri. Mallappa C Koti, Independent Director has passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affair (IICA).

Shri. Mahantesh G. Hiremath, Independent Director was exempted by Indian Institute of Corporate Affair (IICA) from appearing Online Proficiency Self-Assessment Test, as he has fulfilled the conditions for seeking exemption from appearing for the Online Proficiency Self-Assessment Test.

4. A) DIRECTORS:

The composition of the Board of Directors and changes in the composition of the Board of Directors are reported as under:

Sl. No.	Name	Designation	Appointment/Re-Appointment Date	Resignation/Cessation Date
1	Shri Jagadeesh S. Gudagunti	Chairman & Managing Director	30.11.2021	-
2	Shri Rajendrakumar S. Gudagunti	Director	30.11.2021	-
3	Shri Dharmalingayya J. Gudagunti	Director	26.09.2022	-
4	Shri Veerupakshayya J. Gudagunti	Whole-time Director	30.11.2021	-
		Chief Financial Officer	17.08.2019	-
5	Shri Nagappa G. Sanadi	Director	26.09.2022	-
6	Shri Deval A. Desai	Director	30.11.2021	-
7	Shri Sateesh S. Gudagunti	Director	31.12.2020	
8	Shri Sudheer S. Gudagunti	Director	26.09.2022	-
9	Shri Suresh. P. Hiremath	Independent Director	29.09.2018	30/09/2023
10	Shri Mallappa. C. Koti	Independent Director	26.09.2022	
11	Smt.CA Ishwari A. Gudagunti	Director	31.12.2020	-
12	Shri Mahantesh. G. Hiremath	Independent Director	16/12/2023	

4.B) KEY MANAGERIAL PERSONNEL:

Sl. No	Name	Designation	Date of Appointment/ Re-Appointment	Date of Resignation
1	Shri Jagadeesh S. Gudagunti	Chairman & Managing Director	30.11.2021	-
2	Shri Veerupakshayya J. Gudagunti	Whole-time Director & C.F.O.	30.11.2021	-

4.C) DIRECTORS RETIRING BY ROTATION:

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Nagappa G. Sanadi, and Smt. Ishwari A. Gudagunti, Directors of the Company liable to retire by rotation at the ensuing 29th Annual General Meeting and being eligible, have offered themselves for re-appointment.

4.D) INDEPENDENT DIRECTOR

The shareholders at 23rd Annual General Meeting appointed Shri Suresh P. Hiremath for a period of 5 years i.e till the conclusion of 28th AGM (30-09-2023) and appointed Shri Mallappa C. Koti as Independent Directors at 27th Annual General Meeting for period of 5 years i.e. up to conclusion of 32nd AGM.

During the period under review the office of Shri Suresh P. Hiremath comes to an end and in his place Shri Mahantesh G. Hiremath has been appointed as Additional Independent Director subject to approval of members in ensuing AGM.

4.E) DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:

Independent Directors have given their declarations to the effect that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 before their appointment.

4.F) COMMITTEES OF THE BOARD:

Currently, the Board has four Core Committees and few other Committees. The composition of the Committees, duties, responsibilities and activities, are as per the applicable provisions of the Act and Rules, which are as follows:

Name of the Committee	Composition	Highlights of duties, responsibilities and activities
Audit Committee	<p>Shri Mallappa. C. Koti - Chairman</p> <p>Shri S. P. Hiremath - Member</p> <p>Shri Nagappa G. Sanadi - Member</p> <p>Shri Mahantesh G. Hiremath - Member effective from 16.12.2023</p>	<ul style="list-style-type: none"> All the recommendations made by the Audit Committee during the year were accepted by the Board. The Company has adopted the Whistle blower mechanism for Directors and all employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Business Conduct and Ethics. The Whistle blower Policy is appended as Annexure 2 to the Board's Report.

Nomination and Remuneration Committee	<p>Sri Mallappa. C. Koti - Chairman</p> <p>Shri S. P. Hiremath – Member (Till 30/09/2023)</p> <p>Shri Nagappa G. Sanadi - Member</p> <p>Shri Mahantesh G. Hiremath - Member effective from</p>	<ul style="list-style-type: none"> The Committee oversees & administers executive compensation, operating under a written chartered adopted by the Board of Directors. The Committee has designed and continuously reviews the compensation programme of WTD & KMP. A copy of the policy is appended as Annexure-1 to the Board's Report
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	16.12.2023	
Stake Holders Relationship Committee	Shri Sudheer S. Gudagunti - Chairman Shri Deval A Desai – Member Shri Rajendrakumar. S. Gudagunti - Member	<ul style="list-style-type: none"> • The Committee reviews and ensures redressal of investor grievances.
Corporate Social Responsibility Committee	Shri Veerupakshayya J. Gudagunti – Chairman Shri Jagadeesh S. Gudagunti – Member Shri Mallappa C. Koti - Member	<ul style="list-style-type: none"> • The Committee shall annually review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board • The Committee shall monitor if the Company is taking appropriate measures to ensure the successful implementation of CSR activities. • The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities. • The Committee shall review the Company's initiatives and programs from time to time

5. DIRECTOR'S RESPONSIBILITY STATEMENT:

In accordance with the requirements of Section 134(3)(c) of the Companies Act, 2013, directors of the company hereby declare that, your Directors make the following statements.

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) 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 of March 31, 2024 and of Profit and Loss Account of the Company for that period;
- iii) 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) the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2024 on a going concern basis;
- v) 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 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.

6. POLICY ON DIRECTORS APPOINTMENT & REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS AS STATED IN SECTION 178(3) OF THE COMPANIES ACT, 2013:

Your company has an appropriate mix of Executive, Non-executive, Women and Independent Directors to maintain the independence of the Board. As on date, the Board consists of eleven members, two of whom Executive or Whole-time Directors, and one is Independent Director, one woman Director and rest are non-executive directors. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as [Annexure-1](#) to the Board's Report (Nomination & Remuneration Committee Meeting). We affirm that the remuneration paid to the Directors is as per the terms.

7. VIGIL MECHANISM (WHISTLE BLOWER POLICY):

The company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The policy is annexed as per [Annexure-2](#)

8. SECRETARIAL AUDIT REPORT:

Secretarial Audit report pursuant to Section 204 of the Companies Act, 2013 is enclosed as [Annexure- 3](#)

9. EXPLANATION ON QUALIFICATION MADE BY THE:

9.1 Statutory Auditors in their report: Nil

9.2 Secretarial auditors in their report:

The company is required to appoint Whole-time Company Secretary. The company had a whole time Company Secretary till 31/12/2019 and the said position is not filled till 31st March 2024.

Board Response:

As on 31st March, 2024 Company was in search of suitable candidate and however appointed Mr. Raveendragouda Geedigoudra (M No. A 67512) as a new Company Secretary of the Company effective 22-06-2024.

10. DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE REPORTABLE TO THE CENTRAL GOVERNMENT:

Not Applicable.

11. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

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

Particulars of loans, guarantees or investments u/s 186 are given in the enclosed [Annexure - 4](#), which are in line with provision of section 186 of the Companies, Act 2013.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1):

Particulars of contracts or arrangements with related parties referred to in section 188(1) are given in prescribed form AOC-2 enclosed as [Annexure-5](#).

14. AMOUNT TRANSFERRED TO RESERVES: NIL

15. PROPOSED DIVIDEND: NIL

16. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:

There are no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the report.

17. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A note on details of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo is enclosed as [Annexure-6](#).

18. A STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The business and financial risk of the company are akin to any other company in the same line of business. The Company has a robust Enterprise Risk Management framework to identify and evaluate business risk opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach across the enterprise at various levels, including documentation and reporting. The model has different modes that help in identifying risk trends, exposure and potential impact analysis at a company level and also separately for different business segments. The company has identified various risks and also has mitigation plans for each risk identified.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee consisting of following persons:

Members	Designation	22/08/2023
Shri J. S. Gudagunti	Chairman	YES
Shri V. J. Gudagunti	Member	YES
Shri M. C. Koti	Member	YES

During the period under review Corporate Social Responsibility Committee meeting was held on 22nd August, 2023, details of attendance at the meeting is given below:

Members	Designation	Number of Meetings Attended
Shri J. S. Gudagunti	Chairman	01
Shri V. J. Gudagunti	Member	01
Shri M. C. Koti	Member	01

The details of CSR activities undertaken by the Company are given in [Annexure – 7](#) to this Report.

The detailed CSR Policy has been attached to this report as [Annexure – 8](#) to this Report.

20. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance / evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, NRC and CSR Committees and satisfied with the performance of them.

21. INTERNAL FINANCIAL CONTROL:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of the reliable financial disclosures.

Adequacy of Internal Financial Control with reference to financial statements:

- The company maintains all its records in tally system with Atharva software and the work flow and approvals are routed through this system.
- The company has laid down adequate systems and well-drawn procedures for ensuring internal financial controls. It has appointed internal auditors for periodically checking and monitoring the internal control measures.
- Internal audit reports are discussed along-side of management comments and the final observation of internal auditor.
- The Board of Directors have adopted various policies like whistle blower policy, development and implementation of risk management policy and put in place budgetary control and monitoring measures for ensuring the orderly and efficient conduct of the business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

22. INFORMATION REQUIRED AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

As the company is an unlisted company provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are not applicable to the company.

23. PUBLIC DEPOSITS:

The company has not accepted any public deposits under Chapter V of the Companies Act, 2013 and

the Companies (Acceptance of Deposit) Rules, 2014 during the financial year. So, details to be given under the Rule 8(5)(v) of the Companies (Accounts) Rule, 2014 are **NIL**.

24. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AND JOINT-VENTURES:

- a) The Company is not subsidiary of any company.
- b) The company has no subsidiaries, associates companies or joint ventures in India or abroad.

25. AUDITORS:

On the recommendation of Audit committee & Board, Members appointed M/s. Mahendra H. & Company., Chartered Accountants (FRN - 021745S), Banahatti as Statutory Auditors of the company at the 27th Annual General Meeting to hold the office for next five years i.e from 27th AGM to conclusion of 32nd AGM to be held in the year 2027.

26. INTERNAL AUDITORS:

Smt. Prafulla G. Melinamani owner of P. G. Melinamani & Co., Chartered Accountants (FRN 013073S) Jamkhandi conducting periodical Audits of all operations of the Company and their findings have been reviewed regularly. Your Directors note with satisfaction that no material deviations from the prescribed policy and procedures have been observed.

27. SECRETARIAL AUDITORS:

M/s. Gopalakrishnaraj H. H & Associates, Company Secretary in Practice, Bengaluru (M No. 5654; C P No. 4152) was appointed as 'Secretarial Auditors' of the company for the Financial Year 2023-24 as required under section 204 of the Companies Act, 2013 and rules thereunder to conduct Secretarial Audit for the year ended 31st March 2024. The Secretarial Audit Report from Secretarial Auditor for FY 2023-24 is annexed to this report as [Annexure -3.](#)

28. COST AUDITORS 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 Audit Committee has recommended and the Board of Directors had appointed M/s. S. K. Tikare & Co., Cost Accountants (FRN No. 101039) 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, 2024 at a remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand Only).

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. S. K. Tikare & Co., Cost Accountants (FRN No. 101039), 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. S. K. Tikare & Co., Cost Accountants (FRN No. 101039), 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 has filed the Cost Audit Report for the Financial Year ended 31st March, 2023 with the Central Government and the Company will file the cost audit report for the Financial Year ended 31st March, 2024 before the due date.

29. UNCLAIMED DIVIDEND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF): Nil

30. CORPORATE GOVERNANCE:

Your Company has voluntarily taken steps for implementation of directives of Corporate Governance to ensure value system of integrity, fairness, transference, accountability and adoption of highest standards of business ethics which are benefit to all stakeholders.

31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

During the period under review Company has not received any complaints on sexual harassment by employees of the Company. So, disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, is not applicable for the FY 2023-24.

32. COMPLIANCE WITH SECRETARIAL STANDARDS:

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

33. ENVIRONMENT, HEALTH AND SAFETY

The Company considers that it is essential to protect the Earth and its limited natural resources as well as the health and wellbeing of every person.

The Company strives to achieve highest standards of safety, health and environmental excellence in all aspects of its commercial and production activities. Acting responsibly with a focus on safety, health and the environment is a part of the Company's DNA. The Company is continuously adopting new techniques to eliminate and minimize the environmental impact.

With an intensive focus on safety, we have achieved decline in our total recordable injury rate (TRIR). We firmly believe that we can progress only as fast as the successful implementation and acceptance of our safety programmes and initiatives.

Our aim is to build more mature and sustainable safety culture that will allow us to increase our productivity and operational discipline and facilitate highly competitive organic growth.

34. AWARDS:

We are happy to informing you that, during the year your company has received the following awards:

- In the year 2016-17 Shri Jagadeesh Gudagunti, C.M.D. awarded "Life Time Achievement Award" from The Sugar Technologists Association of India (STAI), New Delhi.
- State level safety awards for "Best fuel efficient boiler" by Karnataka State Safety institute Govt. of Karnataka.
- Best Co-generation platinum award" for the Season 2013-14 by South Indian Sugar Cane and Sugar Technologist Association (SISSTA).
- Best Co-Generation Award 2nd Prize" for the season 2011-12 in Karnataka – given by SISSTA at Chennai.
- Best Sugarcane Development Award 1st Prize" for the season 2009-10" in Karnataka – given by SISSTA at Chennai.
- Udyog Ratna" from Institute of Economic Studies, New Delhi.

- Vanijya Ratna” from Karnataka Chamber of Commerce and Industries, Hubli.
- International Gold Star Millennium Award” from Indo-Nepal Friendship & Economic Co-operation, Nepal.
- Best Performing Sugar Factory” in South India – given by SISSTA at Hyderabad.
- Got Platinum Award for Best Sugarcane Development (2022-23) from The South Indian Sugarcane & Sugar Technologies Association, Hyderabad.
- Your Chairman cum Managing Director got elected as Member of the Legislative Assembly in Jamkhandi constituency in Karnataka in the year 2023

35. THE DETAILS OF DIFFERENCE BETWEEN THE 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 were no such instances during the financial year under review

36. 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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

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

37. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation of co-operation and continued support extended by its Customers, Shareholders, Investors, Partners, Vendors, Bankers, the Government, and Statutory Authorities for the Company’s growth. We thank employees at all levels across the Group for their valuable contribution in our progress and look forward to their continued support.

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-

Sd/-

Place: Jamakhandi
Date: 24-08-2024

Jagadeesh S. Gudagunti
Managing Director
DIN: 00464873

Veerupakshayya J. Gudagunti
Whole-time Director
DIN: 07578798

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 benefitor 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 appointment 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 interval (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 pay 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.

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-

Veerupakshayya J. Gudagunti
Whole-time Director
DIN: 07578798

Place: Jamakhandi

Date: 24-08-2024

Annexure-2**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 a serious malpractice, impropriety, abuse or wrong doing 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

“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.

(a) “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 wrong doing 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.
- b) 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.
- c) Chairman of the Audit Committee may at its discretion, consider involving any

Investigators for the purpose of investigation.

- d) 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.
- e) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- f) 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.
- g) 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.
- h) 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.
- i) Subject shall not interfere with the investigation.
- j) Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject.
- k) 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.
- l) 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.
- m) 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.

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-
Veerupakshayya J. Gudagunti
Whole-time Director
DIN: 07578798

Place: Jamakhandi

Date: 24-08-2024

Secretarial Audit Report

For the financial year ended 31st March 2024

[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
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 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. 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.
5. 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:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. As the company is an unlisted public company, the provisions of Listing Agreement and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015) are not applicable to the company.

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

- a) The company is required to appoint Whole-time Company Secretary. The company had a whole time Company Secretary till 31/12/2019 and the said position is not filled till 31st March 2024.**

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

We, further report that:

1. 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.
2. 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.
3. All decisions of the Board are carried through unanimous decisions and there were no dissenting views.

We further report that during the audit period:

- a) the company has taken approval by the members in pursuance to section 188 of the Act with respect to related party transactions at the Annual General Meeting.
- b) the company has taken approval by the members in pursuance to section 186(3) of the Act at the Annual General Meeting.
- c) the company has taken approval by the members in pursuance to section 13 of the Act relating to amendment to Memorandum of Association at the Annual General Meeting.
- d) the company has taken approval by the members for remuneration to Cost Auditors at the Annual General Meeting

For Gopalakrishnaraj H H & Associates
Company Secretaries

Sd/-
Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
Firm No: S2010KR129900
PR: 945/2020
UDIN: F005654F000838299
Place: Bengaluru
Date: 28/07/2024

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.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Gopalakrishnaraj H H & Associates
Company Secretaries

Sd/-
Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
Firm No: S2010KR129900
PR: 945/2020

UDIN: F005654F000838299
Place: Bengaluru
Date: 28/07/2024

Annexure – 4**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186**

Nature of transaction (whether loan / guarantee / security / acquisition)	Date of making loan / acquisition / giving guarantee / providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed / Unlisted entities)	Amount of loan / security / acquisition / guarantee	Time period for which it is made / given	Date of passing Board Resolution	Purpose of loan/ security/ acquisition /guarantee	For loans	
							Rate of interest	Date of maturity
Investment	05-12-2023	Gudagunti Sugars & Bioenergies Private Limited (Sh No. 5212 to 5217/9B, Ward No I, Kudachi Road, Baglkot district, Jamkhandi Town -587301, Karnataka)	3500.00	not redeemable prior to 7 years		In order to facilitate the acquisition of Sree Shiv Sagar Sugar and Agro Products Limited	NA	NA

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-
Veerupakshayya J. Gudagunti
Whole-time Director
DIN: 07578798

Place: Jamakhandi
Date: 24-08-2024

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) of 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, 2024, 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 arrangement or transaction at arms-length basis for the yearended March 31, 2024, are;

Name(s) of the related party	Nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of contracts	Salient terms of the contracts	Date of approval of Board, if any	Advances, if any	Justification for entering into contracts
Siddapur Distilleries Limited	Common Directors	Sale of BH Molasses	275 Days	66906 MT @ Rs.13620/- per MT	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of CH Molasses	91 Days	42485 MT @ Rs.10000/- per MT	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of Syrup	121 Days	39809 MT @ Rs 15510/- per MT	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of Press mud	365 Days	69,644 MT @ Rs.275/- per MT	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of DM Water	365 Days	73,515 KL @ Rs.200/- per KL	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of

							business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	190 Days	40000 MT @ Rs.2100/- per MT + Applicable Taxes	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	66 Days	16650 MT @ Rs.3200/- per MT + Applicable Taxes	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	110 Days	22650 MT @ Rs.2100/- per MT + Applicable Taxes	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	TG Set	365 Days	17,700/- per Month	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price
Siddapur Distilleries Limited	Common Directors	Lease Rent	365 Days	1,77,000/- per Year	-NA-	NIL	SPSCLTD will be selling to its sister concern SDL in due course of business at arm length Price

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-
Veerupakshayya J.
Gudagunti
Whole-time Director
DIN: 07578798

Place: Jamakhandi
Date: 24-08-2024

Annexure – 6**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:**

1. In 2nd Mill, Planetary gear box installed instead of gear transmission system. Hence power was saved.
2. 2nd, 3rd & 4th inter carriers chains were changed from 229 mm to 300 mm pitch. It helps to improve the cane crushing consistency & avoid frequent slippage of carrier.
3. Mess rater was installed at 6th mill discharged end. It helps to reduce the bagasse moisture & improving the boiler efficiency.

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (As on 31.03.2024)

Particulars	2023-24	2022-23
Earnings (Third Party) Rs.	-	95.68 Cr
Outgo	Nil	Nil

D. POWER AND FUEL CONSUMPTION (As on 31.03.2024)

Particulars	Figures in Units	Rate / Unit	Actual Paid Amt
Electricity Purchase	32,73,900 (28,25,550)	Rs.7.40/- + MD Charges	4 61,52,973 (5,92,24,129/-)

Diesel Consumption for DG Set	11000 Ltrs (4000 Ltrs)	86.41/ltr (89.03)/Ltr	9,50,510/- (3,56,120/-)
Own generation of power through steam turbine	11,99,64,876 units (12,44,46,100) units	--	--

Consumption of power for Sugar Plant	5,80,19,875 units (4,96,86,260) units	--	--
Consumption of power for Co-gen plant	1,40,28,022 units (1,22,15,047) units	--	--
Consumption of power per quintal of sugar production	26.47 units (25.07 Units)	--	--
			Power export receivable amount (Rs) as per "B" form bills
Power Export to State Grid Open Access/ Under Section -11	51,12,62,50 units (65,35,37,50) units	4.86/unit (6.32/unit)	Rs. 24,81,43,676 Rs. (44,43,69,736)

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-
Veerupakshayya J.
Gudagunti
Whole-time Director
DIN: 07578798

Place: Jamakhandi
Date: 24-08-2024

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**1. Brief outline on CSR Policy of the Company**

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

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

- To ensure an 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 SPSCLTD and help reinforce a positive & socially responsible image of SPSCLTD as a corporate entity.

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

- i) Providing health care;
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii) 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
- iv) Rural Development.
- v) Encouraging rural sports

SPSCLTD 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. Veerupakshayya J. Gudagunti	Chairman	1	1
2	Shri. Jagadeesh S. Gudagunti	Member	1	1
3	Shri. M C Koti	Member	1	1

(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	Promotion of Health and Education	Yes	Siddapur Village, Taluk-Jamakhandi, Dist Bagalkot, Karnataka 587301, India.		12,27,198/-	No	The amount was spent through Shri Prabhulingeswar Shikshana Samsthe, a Society registered under The Karnataka Societies Registration Act, 1960,	CSR00025309	
2.	Ministry of Labour and Employment-Karnataka	Promotion of Health	Yes	Dharwad Dist. 580001, Karnataka, india		1,95,344/-	Yes	Spent Directly		
Total						Rs. 14,22,542/-				

(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.14,22,542/-

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

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.14,22,542	Nil	NA	NA	Nil	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (In Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	13,83,725/-
(ii)	Total amount spent for the Financial Year	14,22,542
(iii)	Excess amount spent for the financial year [(ii)-(i)]	38,817/-
(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)]	38,817/-

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 2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	FY 2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY 2021	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) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

**For and on behalf of Corporate Social Responsibility Committee
for Shri Prabhulingeshwar Sugars & Chemicals Limited**

Place: Siddapur
Date: August 24, 2024

Sd/-
V. J. Gudagunti
Chairman of CSR Committee
DIN: 07578798

Sd/-
J. S. Gudagunti
Managing Director
DIN: 00464873

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**1. SHORT TITLE & APPLICABILITY**

- i. This policy, which encompasses the company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the Community at large, is titled as the ‘**SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED CSR POLICY**’.
- ii. This policy shall apply to all CSR initiatives and activities by Shri Prabhulingeshwar Sugars and Chemicals Limited (the Company), for the benefit of different segments of the society.

2. CSR VISION STATEMENT & OBJECTIVE**VISION**

Corporate Social Responsibility is the commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

OBJECTIVE

- i. Ensure an 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.
- ii. 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.
- iii. To generate, through its CSR initiatives, a goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

3. DEFINITIONS

- (a) "Act" means the Companies Act, 2013;
- (b) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- (c) “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act, but shall not include the following, namely: -
 - i. activities undertaken in pursuance of normal course of business of the company;

- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board;
- (e) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (f) "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- (g) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
- i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Net Profit shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of Section 198 of the Act.

"Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

4. RESOURCES

- i. It will be the Company's endeavour to spend in every financial year, two percent of its average net profits (or such other limit as may be prescribed under the Act) during the three immediately preceding financial years or such other periodicity as may be notified, on CSR programmes in pursuance of this Policy, as per approved Annual CSR Action Plan.

- ii. If the CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years or such other periodicity as may be notified, with the approval of the Board, on the recommendation of the CSR Committee.
- iii. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund specified in Schedule VII of the Act for this purpose, within a period of six months of the expiry of the relevant financial year (or such other period as may be prescribed under the Act and the rules made thereunder).
- iv. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company for that financial year in any scheduled bank to be called as 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund as specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year (or such other period as may be specified in the Act and rules made thereunder).
- v. The surplus arising out of the CSR activities, projects or programmes will not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual CSR action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- vi. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority.
- vii. The board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

5. KEY FOCUS AREAS

- i) Eradicating hunger, poverty and malnutrition, promoting sanitation and making available safe drinking water;
- ii) Providing health care, maintaining of hospitals, Ambulances and conducting medical camps;
- iii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iv) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior

citizens and measures for reducing inequalities faced by socially and economically backward groups;

- v) 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;
- vi) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vii) Measures for the benefit of armed forces veterans, war widows and their dependents;
- viii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- x) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- xi) Rural development projects;
- xii) Slum Area Development Projects; and
- xiii) Disaster Management, including relief, rehabilitation and reconstruction activities.

SPSCLTD 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.

6. IMPLEMENTATION

- i. CSR programmes will be undertaken to the best possible extent within the defined ambit of the identified areas and as per the Annual Action Plan.
- ii. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- iii. Project activities identified under CSR are to be implemented by the CSR Committee and employees of the Company nominated for the purpose and if found necessary by the specialized agencies.
- iv. The Company will incur the amount towards the Key Focus Areas
- v. The Company shall ensure that the CSR activities are undertaken by the company itself or through:
 - a. a Company established under section 8 of the Act (or under Section 25 of the Companies Act, 1956), or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established

- by the company, either singly or along with any other company, or Charitable Institutions; and Agencies involved in community development programme;
- b. a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - c. any entity established under an Act of Parliament or a State legislature; or
 - d. a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- vi. The Entity mentioned in Point no. v (a to d) above, who intends to undertake any CSR Activity, shall register itself with the Central government by filing Form CSR – 1 with the registrar of Companies and obtain a unique CSR Registration number.

7. CONSTITUTION OF CSR COMMITTEE

The Company shall constitute a Committee of Directors named as CSR Committee with at least three Directors out of which at least one Director shall be an Independent Director.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

The functions of the CSR Committee shall be as follows:

- i. Identification of Key Focus Areas for undertaking CSR activities;
- ii. Goal setting;
- iii. Allocations of funds;
- iv. Approving Expenditure;
- v. Taking expert advice from outside consultants;
- vi. Monitoring the implementation of CSR Programmes; and
- vii. To formulate and recommend to the Board Annual Action Plan in pursuance of CSR Policy, which shall include:
 - a. List of approved CSR projects and programmes;
 - b. Manner of execution of such projects or programmes;
 - c. Modalities of utilisation of funds and implementation schedules;
 - d. Monitoring and reporting mechanism; and
 - e. Details of need and impact assessment, if any, for the projects undertaken by the company.

8. POWERS FOR APPROVAL

- i. CSR programmes as may be identified by each internal team, Functional People, work center / corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.
- ii. For meeting the requirements arising out of immediate & urgent situations, Shri. Jagadeesh S. Gudagunti Managing Director and Shri. Veerupakshayya J. Gudagunti Whole-time Director of the Company, are severally authorised to approve proposals in terms of the empowerment accorded to them by the CSR Committee and the Board of Directors.
- iii. Any allocation of expenditure on CSR activities needs to be approved by the CSR Committee and the Board of Directors.

9. REPORTING, MONITORING AND FEEDBACK

- i. To ensure effective implementation of the CSR programmes undertaken, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programmes under implementation will be reported to CSR Committee from time to time.
- ii. Designated employees will also try to obtain feedback from beneficiaries about the programmes.
- iii. Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis.
- iv. CSR initiatives of the Company will also be reported in the Annual Report of the Company.
- v. Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.
- vi. The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be displayed on the website of the Company.
- vii. The Board shall ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- viii. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- ix. The Company shall undertake Impact assessment from an Independent Agency, if the average CSR obligation of the Company is ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years for the projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

9. GENERAL

- i. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- ii. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject by the Regulatory.
- iii. Surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.
- iv. The Company reserves the right to modify, cancel, add, or amend any of these Rules.
- v. In case any matter is not specifically mentioned in the policy, the provisions of the Companies Act, 2013 and rules made there under will apply.
- vi. In case of inconsistency between the policy and the provisions of the Companies Act, 2013, the provisions of the Companies Act, 2013 shall prevail.

For and on behalf of the Board of Directors
for **Shri Prabhulingeshwar Sugars
and Chemicals Limited**

Sd/-
Veerupakshayya J. Gudagunti
Whole-time Director
DIN: 07578798

Place: Jamakhandi
Date: 24-08-2024

INDEPENDENT AUDITOR'S REPORT

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

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)** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit and Cash Flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, Business Responsibility Report but does not include the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance, and Cash Flows of the Company in accordance with the

accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on other Legal and Regulatory requirements:

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Standalone Balance Sheet, the statement of Profit and Loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act.
- (e) On the basis of the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid (Including Sitting Fees) by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company has not disclosed the impact of pending litigations on its financial position in its Financial Statements.;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- c. The Management represented that, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- f) "Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility throughout the year. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with."

For MAHENDRA H. & COMPANY.,

Chartered Accountants
Firm Registration No. 021745S

Sd/-

(CA. MAHENDRA B. H.)

Proprietor
Membership No. 224944
FRN – 021745S,
PRC No. - 017358
UDIN : 24224944BJZYBF6938

Place: Banahatti

Date: 24th August, 2024

Annexure “A” to the Independent Auditor’s Report

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

i.	(a) In respect of the Company’s Property, Plant and Equipment:	
	(1)	The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
	(2)	The Company has generally maintained proper records full showing particulars of Intangible Assets.
	(b)	According to the information and explanations provided to us, Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification of Property, Plant and Equipment is reasonable.
	(c)	According to the information and explanations given to us, the records examined by us, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company.
	(d)	According to the information and explanations given to us, the Company has not revalued its property, plant and equipment(including Right of use assets and its intangible assets) during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
	(e)	According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions(Prohibition) Act,1988 and Rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the order are not applicable to the Company.
ii	a	As informed to us, the physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion the coverage and procedure of the such verification by the management is appropriate and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on scuh verification.
	b	The Company has been sanctioned working capital limits in excess of Rs.5 Crores in aggregate from Banks/financial institutions on the basis of security of current assets from various banks. Monthly returns or Statements filed with banks/financial institutions are in agreement with the books of account.
iii	a	Based on the information and explanations provided to us, the Company has made an investment of Rs. 35.00 crores in preference shares of Gudagunti Sugars & Bioenergies Private Limited. According to information and explanation given to us, the company has provided the Corporate Guarantee to the Bank of India, Vijayapur Branch, Indian Bank, and State Bank of India, Jamkhandi Branch for the purpose of borrowing loans by the H & T Contractors for Harvesting and Transportation purpose. (A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates; - NIL (B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to guarantees to parties other than subsidiaries, joint

		ventures and associates; Sanctioned – Rs. 126.00 Crores and Outstanding Rs. 134.34 Crores.				
	b	According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to guarantees provided / Investments made are not, prima facie, prejudicial to the interest of the Company.				
	c	The Company has not provided loans or advances in the nature of loans and accordingly, reporting under clauses (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the Order is not applicable to the Company.				
	iv	In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the investments made. The Company has not granted any loan or provided guarantee or security as covered under section 185 of the Act and accordingly, reporting in this respect is not applicable to the Company.				
	v	According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has neither accepted any deposit or amount deemed to be deposits from public covered under section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.				
	vi	We have broadly reviewed the books of accounts and Cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records				
	vii	In respect of statutory dues:				
	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, The company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, duty of customs cess and any other statutory dues applicable to the company with the appropriate authorities. The provisions relating to sales-tax, service tax, duty of excise, value added tax are not applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were pending at the end of the year for a period of more than six months from the date they became payable.				
	(b)	According to the information and explanations given to us and the records of the company examined by us, there are dues of Income-Tax, Sales- Tax, Service tax, Goods and Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of dispute. The details are as under:				
	Sl. No.	Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
	1	Income Tax Act,1961	Income Tax	94.04	2014-15	NFAC, New Delhi
	2	Income Tax Act,1961	Income Tax	356.83	2014-15	NFAC, New Delhi

	3	Income Tax Act,1961	Income Tax	249.89	2013-14	NFAC, New Delhi
	4	Income Tax Act,1961	Income Tax	62.40	2013-14	NFAC, New Delhi
	5	Central Excise & Finance Act	Excise & Service Tax	3.05	Jan-2009 to Dec.2009	Commissioner, Central Tax & Central Excise, Hqrs, Belgaum
	6	Central Excise & Finance Act	Excise & Service Tax	24.82	2013	CESTAT, Bengaluru
viii		According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.				
ix	a	According to the information and explanations given to us, the Company generally has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender for the period ended on 31st March 2024.				
	b	According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.				
	c	In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.				
	d	In our opinion and according to the information and explanations given to us by the Management, funds raised on short term basis have not been utilized for long term purposes				
	e	The company does not hold any investment in any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2024. Hence clause 3(ix) (e) of the Order is not applicable.				
	f	The company does not hold any investment in any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2024. Hence clause 3(ix) (f) of the Order is not applicable.				
x	a	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.				
	b	During the year, the Company has not made any Preferential Allotment or Private Placement of shares or fully, partly or optionally convertible debentures. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.				
xi	a	According to the information and explanation given to us, we have neither come across any instance of Fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such cases by the management;				
	b	As per information and explanations given to us, No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.				

	c	According to the information and explanation given to us and based on our examination of the books of account of the Company, no Whistle Blower Complaints have been received during the year by the Company. Accordingly reporting under clause (xi)(c) of paragraph 3 of the Order is not applicable to the Company.
xii	a	In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
xiii	a	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
xiv	a	The Company has appointed Chartered Accountants to carry out the Internal Audit of the Company. In our opinion and according to the information and explanations given to us the Internal Audit System is commensurate with the size and nature of its business; and
	b	We have considered the internal audit report of the company issued till date for the period under audit.
xv	a	According to the information and explanations given to us, in our opinion during the year the Company has not entered into Non-Cash Transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
xvi	a	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	a	Based on the examination of the books of accounts, we report that the Company has not incurred Cash Losses in the current financial year covered by our audit and in the immediately preceding financial year.
xviii	a	There has been no Resignation of the Statutory Auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
xix	a	According to information and explanations provided to us, on the basis of the Financial Ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report regarding the Company's capabilities of meeting its liabilities as and when they fall due.

xx	a	<p>According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company.</p> <p>(a) There is no unspent amount which was required to be transferred to a Fund specified in Schedule VII companies Act in compliance with second proviso to sub section (5) of section 135 of the Companies Act, accordingly reporting under paragraph 3(xx)(a) of the Order is not applicable to the company.</p> <p>(b) There is no Unspent amount under section (5) of Section 135 of the Companies Act, 2013 pursuant to any ongoing Project which was required to be transferred to Special Account in compliance with sub-section (6) of Section 135 of Companies Act, accordingly reporting under paragraph 3(xx) of the Order is not applicable to the Company.</p>
xxi		<p>In our Opinion and according to the information & explanations provided to us, the company does not have any subsidiaries, associates and joint ventures during the year. Hence, the company is not required to prepare consolidated Financial Statements. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable.</p>

For MAHENDRA H. & COMPANY.,

Chartered Accountants

Firm Registration No.021745S

Sd/-

(CA. MAHENDRA B. H.)

Proprietor

Membership No. 224944

PRC No. - 017358

UDIN : 24224944BJZYBF6938

Place: Banahatti

Date: 24th August 2024

Annexure “B” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Controls over financial reporting of **Shri Prabhulingeshwar Sugars and Chemicals Limited (“the Company”)** as at March 31, 2024, 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 with reference to the Standalone Financial Statements.:

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

Auditors’ Responsibility:

Our responsibility is to express an opinion on the Internal Financial Controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of internal financial controls over financial reporting:

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

Opinion:

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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: 24224944BJZYBF6938

Place: Banahatti

Date: 24th August 2024

Shri Prabhulingeshwar Sugars And Chemicals Limited
Siddapur 587 301, Tq. Jamakhandi, Dist. Bagalkot
CIN U85110KA1995PLC017861
Balance Sheet as at 31st March 2024

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(Amount in Lakhs)

Particulars	Note No.	As at 31/03/2024	As at 31/03/2023
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	4,661.86	4,661.86
(b) Reserves and Surplus	2	33,338.32	32,965.44
2 Non-Current Liabilities			
(a) Long-term Borrowings	3	17,831.51	19,159.60
(b) Deferred Tax Liabilities (Net)	4	1,333.52	1,427.73
(c) Other Long Term Liabilities	5	1,859.79	1,859.79
(d) Long-term Provisions	6	1,382.99	1,088.53
3 Current Liabilities			
(a) Short-term Borrowings			
(b) Trade Payables	7	56,491.15	39,914.86
(i) Outstanding dues to micro enterprises and small enterprises	8		
(ii) Outstanding dues to creditors other than micro enterprises and small		45.54	9.04
(c) Other Current Liabilities	8	30,585.61	27,879.12
(d) Short-term Provisions	9	4,066.12	1,259.82
TOTAL	10	903.60	786.29
ASSETS		1,52,500.01	1,31,012.08
II. Non-Current Assets			
1 (a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	11		
(ii) Intangible Assets			
(iii) Capital Work-in-progress		61,578.24	60,333.71
(b) Non-current Investments		32.65	762.80
(c) Other Non-current Assets		532.19	0.00
Current assets	12	4,371.62	544.17
(a) Current Investments	13	71.94	72.42
2 (b) Inventories			
(c) Trade Receivables			
(d) Cash and Bank Balances	14	501.55	501.55
(e) Short-Term Loans and Advances	15	64,017.15	44,556.31
(f) Other Current assets	16	12,006.82	14,577.03
TOTAL	17	3,037.06	2,431.84
	18	5,894.57	6,774.35
	19	456.20	457.91
		1,52,500.01	1,31,012.08
Summary of significant accounting policies	33		

The Notes form an integral part of these financial statements

Place: Siddapur

Date : 24-08-2024

As per Our Report of Even Date attached

For SHRI PRABHULINGESHWAR SUGARS & CHEMICALS LIMITED

For MAHENDRA H & CO.,

FRN- 021745S

Chartered Accountants

Sd/-

J. S. Gudagunti

Chairman & Managing Director

DIN 00464873

Sd/

V. J. Gudagunti

Executive Director & CFO

DIN 07578798

Sd/

N. G. Sanadi

Director

DIN 00666766

Sd/

M. C Koti

Independent Director

DIN 05203944

Sd/

Raveendragouda G

Company Secretary

M No. A 67512

Sd/

Vinod Kumar K

General Manager (F&A)

Sd/-

MAHENDRA B. H.

Proprietor

M. No. 224944

UDIN:24224944BJZYBF6938

Shri Prabhulingeshwar Sugars And Chemicals Limited

Siddapur 587 301, Tq. Jamakhandi, Dist. Bagalkot

CIN U85110KA1995PLC017861

Statement of Profit and Loss as at 31st March 2024

(Amount in Lakhs)

Sl. No.	Particulars	Note No.	Year ended 31/03/2024	Year ended 31/03/2023
I	Income:			
	Revenue from Operations	20	76,410.09	84,783.16
	Other Income	21	242.65	240.96
	Total Income		76,652.74	85,024.11
II	Expenses			
	Cost of Materials Consumed	22	76,997.47	66,662.35
	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	-20,252.81	392.55
	Employee Benefits Expense	24	3,505.37	2,607.35
	Finance Costs	25	6,915.51	6,404.85
	Depreciation and Amortisation Expense	11	1,721.04	1,620.61
	Other Expenses	26	5,971.27	5,370.41
	Total Expenses		74,857.85	83,058.10
III	Profit Before Tax (I- II)		1,794.90	1,966.01
IV	Tax Expense:			
	Current Tax		316.09	343.50
	Deferred Tax		-94.21	-105.85
V	Profit/(Loss) for the Year (III-IV)		1,573.02	1,728.36
VI	Earnings Per Equity Share:			
	(i) Basic		3.37	3.71
	(ii) Diluted		3.37	3.71
The notes form an integral part of these financial statements				

Place: Siddapur
Date : 24-08-2024

For SHRI PRABHULINGESHWAR SUGARS & CHEMICALS LIMITED

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

Chartered Accountants

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

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

Sd/-
N. G. Sanadi
Director
DIN 00666766

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

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

Sd/-
MAHENDRA B. H.
Proprietor
M. No. 224944
UDIN:24224944BJZYBF6938

Shri Prabhulingeshwar Sugars And Chemicals Limited

Siddapur 587 301, Tq. Jamakhandi, Dist. Bagalkot

CIN U85110KA1995PLC017861

Cash Flow Statement For The Period Ended 31st March, 2024

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(Amount in Lakhs)

	Particulars	As at 31st March,2024	As at 31st March, 2023
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before Tax & extraordinary items	1,794.90	1,966.01
	Adjustment for		
	Add Depreciation	1,721.04	1,620.61
	Less : Interest income	-4.49	-21.74
	Add Adjustment for interest expenses	6,915.51	6,404.85
	Less : Profit from sale of fixed Assets	-0.45	1.43
	Less : Dividend income	-37.56	-15.18
	Cash flow from Operating Activities before Working Capital Adj	10,388.95	9,955.98
	Movements in Working Capital		
	Increase in Trade payables	2,742.99	662.33
	Decrease in Trade receivables	2,570.20	2,159.06
	Decrease in Other current assets	1.71	-1.81
	Decrease in Short term loans & advances	879.78	859.93
	Increase in Inventories	-19,460.85	-208.40
	Increase in Other current liabilities	2,806.30	-404.24
	Increase in Long term provisions	294.46	121.68
	Increase in Short term provisions	117.31	211.14
	Decrease in Other non-current assets	0.48	1.02
	Less : Income-tax paid	-316.09	-343.50
	Net Cash from operating activities (A)	25.25	13,013.20
B	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Investments	-3,827.45	-150.00
	Purchase of Fixed assets	-3,968.64	-3,673.51
	Proceeds on sale of Fixed assets	1.34	6.56
	Interest income	4.49	21.74
	Dividend income	37.56	15.18
	Net Cash from Investing activities (B)	-7,752.71	-3,780.04
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase in Short term borrowings	16,576.29	-2,502.57
	Decrease in Long term borrowings	-1,328.09	458.64
	Interest paid	-6,915.51	-6,404.85
	Net Cash from Financing activities (C)	8,332.69	-8,448.78
	Net Increase / Decrease in Cash & Cash Equivalents (A+B+C)	605.23	784.37
D	Opening Cash and cash equivalent	2,431.84	1,647.46
	Closing Cash and cash equivalent (Note.17)	3,037.06	2,431.84

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

Place: Siddapur

Date : 24-08-2024

For **SHRI PRABHULINGESHWAR SUGARS & CHEMICALS LIMITED**

As per Our Report of Even Date attached

For **MAHENDRA H & CO.,**

FRN- 021745S

Chartered Accountants

Sd/-

J. S. Gudagunti
Chairman & Managing Director
DIN 00464873

Sd/-

V. J. Gudagunti
Executive Director & CFO
DIN 07578798

Sd/-

N. G. Sanadi
Director
DIN 00666766

Sd/-

Sd/-

M. C Koti
Independent Director
DIN 05203944

Sd/-

Raveendragouda G
Company Secretary
M No. A 67512

Sd/-

Vinod Kumar K
General Manager (F&A)

MAHENDRA B. H.
Proprietor
M. No. 224944
UDIN:24224944BJZYBF6938

NOTE 1**Share Capital**

(Amount in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
5,00,00,000 Equity Shares of Rs. 10/- each	5,000	5,000.00
1,00,00,000, 13% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	1,000	1,000.00
Total	6,000	6,000.00
Issued, Subscribed & Fully Paid up		
4,66,18,595 Equity Shares of Rs. 10/- each fully paid-up	4,662	4,661.86
Nil, 13% Non-cumulative Redeemable Preference Shares of Rs. 10/- each fully paid-up	-	-
Total	4,662	4,661.86

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

Particulars	Equity Shares			
	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,66,18,595	4,662	4,66,18,595	4,662
Shares Issued during the year	-	-	-	-
Shares Redeemd during the year	-	-	-	-
Shares outstanding at the end of the year	4,66,18,595	4,662	4,66,18,595	4,662

b) Terms/rights attached to equity sh

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

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

Sl. No	Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Shri Jagadeesh S Gudagunti	1,35,83,834.00	29.14	1,33,67,834	28.67
2	Siddapur Distilleries Ltd.	91,91,800.00	19.72	91,91,800	19.72

d) Details of Shares held by Promoters at the year ended 31st March, 2024

Particulars	As at 31 March 2024			As at 31 March 2023		
	No. of Shares	% of total Shares of the company	% change in shareholding during the year	No. of Shares	% of total Shares of the company	% change in shareholding during the year
Shri Jagadeesh S. Gudagunti	1,35,83,834	29.14	0.47	1,33,67,834	28.67	-
Shri Rajedrakumar S. Gudagunti	10,36,334	2.22	-	10,36,334	2.22	-
Shri Satish S. Gudagunti	9,56,035	2.05	-	9,56,035	2.05	-
Shri Sudheer S. Gudagunti	8,79,134	1.89	-	8,79,134	1.89	-
Shri Nagappa G. Sanadi	77,001	0.17	-	77,001	0.17	-
Shri Nagayya A. Charantimath	35,801	0.08	-	35,801	0.08	-
Shri Subodh Vinayak Joshi	11,001	0.02	-	11,001	0.02	-
Shri Appasaheb R. Patil.	11,001	0.02	-	11,001	0.02	-
Shri Veerupakshayya S. Gudagunti	3,36,000	0.72	0.33	1,80,000	0.39	-
Shri Dharmalingayya S. Gudagunti	13,07,000	2.80	0.39	11,24,000	2.41	-

NOTE 2
Reserves & Surplus

(Amount in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Capital Redemption Reserve		
Opening Balance	235.98	235.98
(+) Current Year Transfer	-	-
Closing Balance	235.98	235.98
(b) Revaluation Reserve		
Opening Balance	30,735.68	31,935.82
(+) Current Year Transfer (Revaluation Reserve)	-	-
(-) Depreciation on Revaluation of Assets	1,200.14	1,200.14
Closing Balance	29,535.54	30,735.68
(c) Surplus		
Opening balance	1,993.78	265.42
(+) Net Profit / (Loss) for the year	1,573.02	1,728.36
Closing Balance	3,566.80	1,993.78
Total	33,338.32	32,965.44

NOTE 3

Long Term Borrowings

(Amount in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Term loans - Secured		
(a) From Banks	4,469.01	5,159.60
(b) From other Parties	13,362.50	14,000.00
Total	17,831.51	19,159.60

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

Sl. No.	Nature of Security	Terms of Repayment
1	Soft Loan from Bagalkot District Central Co-operative Bank Ltd, Bagalkot, amounting to Rs.1298.69 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 4 years in 16 quarterly installments commencing from May 2020. Last installment due in Aug- 2024. Rate of interest (floating) : 12.50% Per Annum.
2	Soft Loan from Vijayapur District Central Co-operative Bank Ltd, Vijayapur, amounting to Rs.2500.00 Lakhs is secured by pari passu 1st charge plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 4 years in 16 quarterly installments commencing from May 2020. Last installment due in May- 2024. Rate of interest (floating) 13.50% Per Annum.
3	Term Loan from Bagalkot District Cenral Co-operative Bank Limited, Bagalkot, amounting to Rs.1500.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years in 20 quarterly installments commencing from Nov 2019. Last installment due in Oct - 2024. Rate of interest : 12.50% Per Annum.
4	Term Loan from Belgaum District Cenral Co-operative Bank Limited, Belgaum, amounting to Rs.3000.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years in 20 quarterly installments commencing from Nov- 2019. Last installment due in Oct- 2024. Rate of interest (floating) : 13% Per Annum.
Sl. No.	Nature of Security	Terms of Repayment
5	Term Loan from Bagalkot District Cenral Co-operative Bank Limited, Bagalkot, amounting to Rs.1500.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years 20 quarterly installments commencing from Oct 2022. Last installment due in July - 2027. Rate of interest (floating) : 12.50% Per Annum.
6	Term Loan from Bagalkot District Cenral Co-operative Bank Limited, Bagalkot, amounting to Rs.3000.00 Lakhs is secured by pari passu 1st charge on plant & machinery and land & building of the company and personal guarantee of directors.	Repayable in 5 years 20 quarterly installments commencing from Nov 2023. Last installment due in Oct - 2028. Rate of interest : 12.50% Per Annum.
7	Term Loan from Shri Basaveshwar Sahakari Bank Niyamitha- Bagalkot , amounting to Rs.350.00 Lakhs is secured by pari passu 2nd charge on Plant & Machinery of the company and personal guarantee of directors .	Repayable in 6 years in 72 monthly installments commencing from Feb-2020. Last installment due in Jan- 2025. Rate of interest (floating): 13.50% Per Annum.
8	Term Loan from Industrial Financial Corporation of India, amounting to Rs.198.00 Lakhs, is secured by 1st pari passu charge on plant & machinery of the factory & personal guarantee of directors.	Rs. 99 lakhs Repayable in 8 Half Yearly installments commencing from Sept - 2020. Last installment due in March - 2024. and Rs. 99 lakhs Repayable in 8 Half Yearly installments commencing from March- 2022. Last installment due in Sept - 2025. Rate of interest (floating) : 4.25% Per Annum.

9	Term Loan from Shri Prabulingeshwar Souharda Pattina Sahakari Sangha Niyamit, Jamakhandi amounting to Rs.4500.00 Lakhs is secured by equitable mortgage on factory land and 2nd pari passu charge on plant & machinery & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly installments commencing from Jan -2025. Last installment due in Oct-2032 Rate of interest (floating) : 12.5% Per Annum.
10	Term Loan from Shri Prabulingeshwar Souharda Pattina Sahakari Sangha Niyamit, Jamakhandi amounting to Rs.5500.00 Lakhs is secured by equitable mortgage on factory land and 2nd pari passu charge on plant & machinery & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly installments commencing from Jan -2025. Last installment due in Oct-2032 Rate of interest (floating) : 12.5% Per Annum.
11	Term Loan from Shri Prabulingeshwar Souharda Pattina Sahakari Sangha Niyamit, Jamakhandi amounting to Rs.4000.00 Lakhs is secured by equitable mortgage on factory land of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly installments commencing from Jan -2025. Last installment due in Oct-2032 Rate of interest (floating) : 12.5% Per Annum.

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

	As at 31 March 2024	As at 31 March 2023
(a) Deferred Tax Liability on account of		
i) Depreciation	3,393.25	3,039.59
(b) Deferred Tax Asset on account of		
i) Unabsorbed depreciation	1,527.45	1,570.65
ii) Provisions and expenses disallowable under Income Tax		
Act but allowable on payment basis	532.28	41.21
Total	2,059.73	1,611.86
Deferred Tax Liability Net (a-b)	1,333.52	1,427.73

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Deferred Purchase Tax on Sugar Cane	1,859.79	1,859.79
Total	1,859.79	1,859.79

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Provision for Employee Benefits		
(i) Gratuity	994.54	785.67
(ii) Leave Encashment	388.45	302.85
Total	1,382.99	1,088.53

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Secured		
(i) Working Capital Loans from Banks	40,644.37	26,249.82
(ii) Working Capital Loans from Other Parties	11,000.00	11,000.00
(iii) Current maturities of long - term borrowings	2,846.78	2,665.04
Total	54,491.15	39,914.86
(b) Unsecured		
(i) Loans and advance from related party	2,000.00	-
Total	2,000.00	-
Total (a+b)	56,491.15	39,914.86

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Outstanding dues of Micro, Small and Medium Enterprises (MSME)	45.54	9.04
(b) Outstanding dues of Creditors other than Micro, Small and Medium Enterprises (MSME)	30,585.61	27,879.12
Total	30,631.15	27,888.16

Trade Payables ageing schedule*(Amount in lakhs)*

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Interest accrued but not due on borrowings	249.38	216.16
(b) Duties & Taxes Payable	356.63	859.80
(c) Advance Received form Costumers	85.82	69.11
(d) Others	3,374.30	114.76
Total	4,066.12	1,259.82

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Provision for Employee Benefits		
Salary & Reimbursements	181.00	147.96
Contribution to PF	27.67	26.44
Gratuity	141.26	86.06
Leave Encashment	70.37	49.44
Bonus , Ex-Gratia & Insurance	238.99	218.23
(b) Provision for Current Tax		
Current Tax	244.31	258.17
Total	903.60	786.29

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

Particulars	As at 31 March 2024	As at 31 March 2023
Other Investments		
Unquoted (Valued at cost)		
In Equity shares of		
(a) Co - Operative Banks	871.52	544.07
(b) Shri Prabhulingeshwar Souharda Pattina Sahakari Sangh Niyamita - Jamkhandi	0.10	0.10
(c) In Preference Shares of GSBPL - Jamkhandi (1750 no. of redeemable preference shares of Rs. 50,000 face value each)	3,500.00	-
Total	4,371.62	544.17

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

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits -Secured Considered Good	71.94	72.42
Total	71.94	72.42

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

Particulars	As at 31 March 2024	As at 31 March 2023
Unquoted (Valued at cost)		
In Equity shares of Co-operative Banks	501.55	501.55
Total	501.55	501.55

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Work-In-Progress	362.90	1,000.20
(b) Finished Goods	61,548.22	40,658.11
(c) Stores and Spares	2,025.66	2,784.73
(d) Chemicals	80.38	113.27
Total	64,017.15	44,556.31

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

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good	12,006.82	14,577.03
Total	12,006.82	14,577.03

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Cash and Cash Equivalents		
(i) Balances with banks	3,035.08	2,430.11
(ii) Cash in hand	1.99	1.72
Total	3,037.06	2,431.84

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

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good	5,894.57	6,774.35
Total	5,894.57	6,774.35

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with Revenue Authorities	456.20	457.91
Total	456.20	457.91

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

Particulars	31 March 2024	31 March 2023
a) Sale of Products	76,410.09	84,783.16
b) Other Operating Revenues	0.00	0.00
Revenue from Operations	76,410.09	84,783.16

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

Particulars	31 March 2024	31 March 2023
a) Sale of Products		
Sugar Domestic	51,041.18	48,004.54
Sugar Export (Export through third party)	0.00	9,567.84
Power	2,474.71	4,133.86
Molasses	13,361.09	12,103.70
Syrup	6,174.38	9,367.48
Press Mud	191.52	175.74
Bagasse	3,167.21	1,430.00
Total A	76,410.09	84,783.16

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

Particulars	31 March 2024	31 March 2023
Interest Income	4.49	21.74
Dividend Income	37.56	15.18
Other non-operating income	200.61	204.04
Total	242.65	240.96

NOTE 22

Cost of Materials Consumed*(Amount in Lakhs)*

Particulars	31 March 2024	31 March 2023
Raw Material		
Opening Stock	113.27	114.30
Add:Purchases	76,964.58	66,661.32
	77,077.85	66,775.61
Less: Closing Stock	80.38	113.27
Total	76,997.47	66,662.35

Details of Raw Material Consumed

Particulars	31 March 2024	31 March 2023
Sugar Cane	76,070.03	65,784.46
Chemicals	927.44	877.89
Total	76,997.47	66,662.35

NOTE 23

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

Particulars	31 March 2024	31 March 2023
Opening Stock		
Finished Goods and by-products	40,658.11	40,823.68
Work In Process	1,000.20	1,227.18
Less : Closing Stock		
Finished Goods and by-products	61,548.22	40,658.11
Work In Process	362.90	1,000.20
Total	-20,252.81	392.55

NOTE 24**Employee Benefits Expense***(Amount in Lakhs)*

Particulars	31 March 2024	31 March 2023
Salaries and incentives	2,884.08	2,073.12
Employer's Contribution to Provident Fund	168.20	162.63
Gratuity	307.42	246.35
Leave encashment	120.52	90.98
Employee Deposit Linked Insurance	6.79	6.78
Staff welfare expenses	18.37	27.50
Total	3,505.37	2,607.35

Note 25**Finance Costs***(Amount in Lakhs)*

Particulars	31 March 2024	31 March 2023
Interest	6,796.54	6,207.17
Bank Charges	118.97	197.67
Total	6,915.51	6,404.85

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

Sl. No	Particulars	31 March 2024	31 March 2023
1	Fuel, Oil & Lubricants	242.98	219.29
2	Spares	1,656.51	1,459.67
3	Packing Materials	851.13	821.63
4	Bagasse Handling Expenses	19.54	19.58
5	Repairs & Maintenance of Machinery	259.42	265.06
6	Factory Maintenance - Other Assets	490.90	443.44
7	Sugar Bagging Expenses	129.12	119.06
8	Other Manufacturing Expenses	4.05	33.24
9	Directors Remuneration	120.00	120.00
10	Travelling Expenses - Directors	12.38	12.98
11	Directors Sitting Fees	27.35	17.60

12	Legal, Consultancy , Professional Charges & Brokerage/ Commission	141.73	77.56
13	Postage, Telegram & Telephone Charges	11.83	11.09
14	Printing & Stationery	8.06	1.75
15	Rent, Rates, Taxes, Electricity, Insurance Collateral Management Charges, PF Administration Charges & Power Import Charges	1322.36	1131.13
16	Repairs and Maintenance - Buildings & Others	102.07	147.00
17	Travelling, Conveyance, Flood Aid & Honorarium Expenses	56.77	71.18
18	Auditors Remuneration		
	a)Audit Fees	7.00	7.00
	b)Tax & GST Audit	1.00	1.00
	c)For Reimbursement of Expenses	0.00	0.00
19	Selling & Distribution Expenses & Business Promotion	225.16	64.44
20	Miscellaneous Expenses	266.98	239.80
21	Bad debts & Advance Written off	0.65	86.84
22	Loss on Sale of Assets	0.05	0.08
23	CSR Expenditure	14.23	0.00
20	Total	5971.27	5370.41

Note 27

Financial Ratios

Sl. No.	Particulars	Numerator	Denominator	FY 2023-24		FY 2022-23		FY 2023-24		FY 2022-23		Change	Explanation where the change is more than 25%
				Numerator	Denominator	Numerator	Denominator	Ratio	Ratio	Ratio	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	85,913	92,092	69,299	69,849	93.29%	99.21%	5.97%	NA		
2	Debt-Equity Ratio	Long Term Borrowings + Short Term Borrowings	Equity Share Capital + Accumulated Profits	74,323	8,229	59,074	6,656	9.03	8.88	-1.76%	NA		
3	Debt Service Coverage Ratio	PAT + Depreciation + Finance Cost	Finance Cost + Current Maturities of Long Term Borrowings (of Previous Financial Year)	10,210	9,581	9,754	9,070	1.07	1.08	0.91%	NA		
4	Return On Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	1,573	7,442	1,728	5,791	21.14%	0	29.17%	Reduced profitability at comparatively high amount of equity.		
5	Inventory Turnover Ratio (Days)	Average Inventory	Revenue from Operations	54,287	76,410	44,452	84,783	259.32	191	-35.51%	Reduction in the syrup sales proportion compared to previous year due to government policy restrictions and absence of export sales of sugar led to high levels of inventory resulted adverse impact.		
6	Trade Receivable Turnover Ratio (Days)	Average Receivables	Total Income	13,292	76,653	15,657	85,024	63.29	67.21	5.83%	NA		
7	Trade Payable Turnover Ratio (Days)	Average Payables	Cost Of Raw Materials Consumed	29,260	76,997	27,557	66,662	138.70	161	8.07%	NA		
8	Net Capital Turnover Ratio	Total Income	Working Capital	76,653	-6,179	85,024	-550	-12.41	-154.55	91.97%	Improvement in net working capital on account of improved profitability		
9	Net Profit Ratio	Net Profit	Total Income	1,573	76,653	1,728	85,024	2.05%	2.03%	-0.95%	NA		
10	Return On Capital Employed	Profit Before Interest And Taxes	Average Employed (Average of Opening and Closing of Equity Share Capital, Accumulated Profits and Long Term Borrowings)	8,710	25,938	8,371	24,722	33.58%	0	0.82%	NA		
11	Return On Investment	Dividend Received From Shares In Co-Operative Banks	Time Weighted Average Investments	38	1,072	15	971	3.50%	1.56%	-123.97%	Higher dividend received compared to previous year		

28. Related Party Disclosure.

Related party disclosures have been made herein below, the related parties, in respect of which disclosures have been made, have been identified on the basis of disclosure made by key managerial persons and taken on record by the board.

(i) List of related parties and description of relationship.

A) Key Management Personal

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

(ii) Information Relating to Related Party Transactions for the Year Ending 31st March 2024

(Amt in Lakhs)

Name of the Person	Relationship	Nature of Transaction	2023-24	2022-23
Shri J S Gudagundti	Chairman and Managing Director	Purchase of Sugar Cane	7.56	5.70
Shri V J Gudagundti	Executive Director	Service Received	15.35	9.84
Shri V J Gudagundti	Executive Director	Purchase of Sugar Cane	183.46	65.63
Shri V J Gudagundti	Executive Director	Purchase of Cane Seeds	0.94	0.80
Shri D J Gudagundti	Director	Purchase of Sugar Cane	31.91	13.39
Shri D J Gudagundti	Director	Purchase of Cane Seeds, Seedlings	67.75	77.51
Shri D J Gudagundti	Director	Service Received	14.24	6.80
Shri D J Gudagundti	Director	Purchase of Seeds	3.80	0.80
Shri J S Gudagundti	Chairman and Managing Director	Remunerations	60.00	60.00
Shri V J Gudagundti	Executive Director	Remunerations	60.00	60.00

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

(Amt in lakhs)

Description	2023-24	2022-23
Purchase of Goods	0	0
Sale of Goods	24473.08	25744.03
Rendering of Services	1.77	1.77
Receiving of Services	2.12	2.12
Unsecured Loan	2000.00	0
Amount Outstanding (Due to the Company)	9933.51	13547.38
Amount Outstanding (Due by the Company)	1.06	6.19

29. List of Micro, Small and Medium Enterprises to whom the company has the payments due, have been identified from available information as at 31st march 2024.

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

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

31. Segment Revenue and profit for the year ended 31st March 2024. (Annexure-1)

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

a) Corporate Information:

Shri Prabhulingeshwar Sugars and Chemicals Limited ("SPSCL" or "Company") having Corporate Identity Number(CIN)-U85110KA1995PLC017861 is a public limited company incorporated under the provisions of the Companies Act, 1956 domiciled in India, and has its registered office located at Siddapur Village, Taluka Jamkhandi, Dist: Bagalkot, PIN-587301 Karnataka, India. The Company is one of the major sugar manufacturing companies in the state of Karnataka. The principal activity of the Company is manufacturing and sale of sugar. Besides this, the allied business activities of the Company primarily consist of manufacturing and sale of syrup, molasses, and pressmud, and generation and sale of co-generated power.

b) Significant accounting policies and practices adopted by the company are Disclosed in the statement annexed to this financial statement Annexure-2.

c) Use of critical estimates, judgments and assumptions:

The preparation of the standalone financial statements in conformity with the measurement principle under requires the management to make Estimates, Judgments and Assumptions. These estimates, Judgments and Assumptions affect the application of Accounting Policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

i) Estimation of net realizable value for inventories:

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

ii) Recoverability of trade receivables:

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

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

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

iv) Valuation of Deferred Tax Assets/Liabilities:

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

v) Defined benefit plans:

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

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

vi) Provisions, Contingent liabilities and Contingent assets:

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

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

for Shri Pabhulingeshwar Sugars
and Chemicals limited.

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

Sd/-
JAGADEESH S. GUDAGUNTI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00464873

Sd/-
V. J GUDAGUNTI
CFO & EXECUTIVE DIRECTOR
DIN: 07578798

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

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

Sd/-
M. C Koti
Independent Director
DIN 05203944

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

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

Place: Siddapur
Date: 24-08-2024

ANNEXURE-2

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(Annexed to and forming part of the financial statements for the year ended 31 March, 2024)

(1) ACCOUNTING POLICIES:

1. Basis of Accounting:

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

2. Recognition of Income and Expenditure:

a. The sales are shown net of GST, if any.

b. Scrap is accounted on actual sale basis.

c. Dividend income on investment in shares is recognized based on the establishment of Company's right to receive the same.

d. Sale of steam and press mud has been recognized based on commercial invoice raised during the year.

e. The Government grants/ Subsidy are accounted on accrual basis after the conditions specified for claiming such grants have been complied as detailed in Clause 9 herein below.

3. Property, Plant & Equipment:

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

4. Depreciation & Amortisation:

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

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

5. Cash Flow Statement:

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

6. Investments:

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

7. Valuation of Inventories:

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

- a. Finished stock of sugar is valued at Cost or estimated NRV whichever is lower.
- b. Stocks of stores, spares and consumables have been valued at Cost.

(B) By-products Molasses and Bagasse are valued at net realizable value.

8. Employee Benefits:

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

9. Government Grants:

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

10. Lease:

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

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

11. Borrowing Cost:

Borrowing costs that are directly attributable in respect of qualifying assets are capitalized as part of qualifying fixed assets till the date of commissioning of respective assets. Other borrowing costs are recognized as expense in the period in which they are incurred. During the year an amount of Rs.447.85 Lakhs was capitalized as per AS-16.

12. Taxation:

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

13. Impairment of Assets:

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

14. Provisions, Contingent Liabilities and Contingent Assets:

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

15. Earnings per Share:

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

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



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