

SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED

ANNUAL REPORT - 2022-23

BOARD OF DIRECTORS

- | | |
|------------------------------------|----------------------------------|
| ❖ Shri Jagadeesh S. Gudagunti | - Chairman and Managing Director |
| ❖ Shri Veerupakshayya J. Gudagunti | - Executive Director |
| ❖ Shri Rajendrakumar S. Gudagunti | - Director |
| ❖ Shri Dharmalingayya J. Gudagunti | - Director |
| ❖ Shri Deval A. Desai | - Director |
| ❖ Shri Nagappa G. Sanadi | - Director |
| ❖ Shri Mahalingappa C. Koti | - Independent Director |
| ❖ Shri Suresh P. Hiremath | - Independent Director |
| ❖ Shri Sudheer S. Gudagunti | - Director |
| ❖ Shri Sateesh S. Gudagunti | - Director |
| ❖ Smt. Ishwari A. Gudagunti | - Director |

HONORARY DIRECTORS

- | | |
|-----------------------|-------------------------|
| ❖ Dr.N.A.Charantimath | ❖ Shri Satyappa Akkiwat |
|-----------------------|-------------------------|

KEY MANAGERIAL PERSONNEL

- | | |
|------------------------------------|----------------------------------|
| ❖ Shri Jagadeesh S. Gudagunti | - Chairman and Managing Director |
| ❖ Shri Veerupakshayya J. Gudagunti | - Executive Director & CFO |

PRINCIPAL BANKERS

- | | |
|----------------------------------|---------------------------------------|
| ❖ Belgaum DCC Bank Ltd. Belagavi | ❖ Bagalkot DCC Bank Ltd. Bagalkot |
| ❖ State Bank of India, Vijayapur | ❖ State Bank of India (ADB) Jamkhandi |
| ❖ Bank of India, Vijayapur | ❖ Basaveshwar Bank, Bagalkot |
| ❖ KSC Apex Bank, Bengaluru | |

AUDITORS

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

MANAGEMENT TEAM

- | | |
|---|--|
| ❖ Shri B.S.Khyadi - General Manager (Engg) | ❖ Shri S. C. Hipparagi - General Manager (E&I) |
| ❖ Shri D.N.Halle - General Manager (Cane) | ❖ Shri Sunil Holeppagol - General Manager (Prod) |
| ❖ Shri M.M. Hiremath-Gen.Manager(F&A) | ❖ Shri A.M.Jayaprakash - AGM (Administration) |
| ❖ Shri V.S.Saraganachari - Sr. Manager (Stores) | ❖ Shri P. P. Babannavar - Sr.Manager (F&A) |
| ❖ Shri M P Kulkarni - Chief Chemist (WTP) | ❖ Shri B.M.Balappagol - Dy. Chief Engineer (Civil) |
| ❖ Shri R.P.Hiremath - Sr. Manager (F&A) | |

ANNUAL REPORT - 28th ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the 28th (Twenty Eighth) Annual General Meeting of the members of the **SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED** (CIN: U85110KA1995PLC017861) will be held on **SATURDAY 30.09.2023 at 11.00 A.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 Siddapur 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, 2023, and the reports of the Board of Directors and Auditors thereon;

2. APPOINTMENT OF SHRI DHARMALINGAYYA J. GUDAGUNTI (DIN-00801770), WHO RETIRES BY ROTATION:

To appoint **Shri Dharmalingayya J. Gudagunti (DIN- 00801770)**, who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

3. APPOINTMENT OF SHRI SUDHEER S. GUDAGUNTI (DIN- 00464901), WHO RETIRES BY ROTATION:

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

SPECIAL BUSINESS:

4. 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:

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“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 2023-2024:

Name of the Related Party	Name of the interested Director	Nature of transaction Up to Value in Rs. (FY 2023-24)	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. 11240 Lakhs	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. 12076 Lakhs	188(1)(a)
Gudagunti Sugars & Bioenergies Private 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	Investment	188(1)(g)

“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.”

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5. INVESTMENT IN GUDAGUNTI SUGARS & BIOENERGIES PRIVATE LIMITED, EXCEEDING THE LIMITS SPECIFIED IN SECTION 186(3) OF THE COMPANIES ACT, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 186(3) of the Companies Act, 2013, read with the corresponding Rules made thereunder and the consent and approval of shareholders of the company be and is hereby accorded for making investment not exceeding Rs. 35,00,00,000/- (Rupees Thirty Five Crores) in the Redeemable Non-Cumulative, Non Participating, Preference Share Capital, redeemable at the end of twentieth year, from the date of allotment to be issued by Gudagunti Sugars & Bioenergies Private Limited, holding CIN: U11019KA2023PTC174459, having its registered office at P. No. 62-502-44, Mahaveer Colony, Kudachi Road, Jamkhandi -587301 in one or more tranches, and on such other terms and conditions as may be mutually agreed between the both parties.

RESOLVED FURTHER THAT the Board be and is hereby to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

6. ALTERATION TO MEMORANDUM OF ASSOCIATION BY AMENDING OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS OF THE COMPANY.

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

“RESOLVED THAT pursuant to provisions of section 13 and other applicable provisions if any, of the Companies Act, 2013 and the Rule made thereunder, subject to approval of Central Government, the clause III(B) (11) of the Memorandum of Association of the company be altered by substituting the following clause.

11. *To amalgamate, reconstruct, acquire, absorb, merge or demerge with one or more Company(ies) or body(ies) Corporate, or to enter into partnership, or to acquire the whole or any part of the business or undertaking, goodwill, property, rights, assets and liabilities of any person, firm, limited liability partnerships, association, society, company, corporation, undertakings or any business which the Company is*

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authorized to carry on, whether or not having similar objects as of this Company and to do all such incidental acts, deeds and things as may be necessary to give effect to the amalgamation, and to conduct, expand and develop or wind up and liquidate such businesses and to purchase and take steps for the acquisitions of existing and new licenses in connection with such business.

FURTHER RESOLVED THAT any one of the directors of the Company 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."

7. TO CONSIDER CONFIRM AND RATIFICATION OF REMUNERATION TO COST AUDITORS FOR THE F.Y.2023-23.

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 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), the remuneration of Rs.1,10,000/- payable to Shri Sanjay K. Tikare, Cost Auditors appointed by the Board of Directors be and is hereby ratified to conduct the audit of the cost records of the company for the financial year ending 31st March 2023."

"**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, Bangalore."

"By Order of the Board"

**For SHRI PRABHULINGESHWAR
SUGARSAND CHEMICALS LIMITED**

**Place : Siddapur
Date: 22.08.2023**

**JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00464873**

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Registered Office:

Taluka Jamkhandi, District Bagalkot

Karnataka State , Tel: 08353 238004, 238200, 238184

E-mail: prabhusugar.cs@gmail.com

website: www.prabhusugar.com

CIN-U85110KA1995PLC017861

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

ITEM NO. -4 APPROVAL FOR TRANSACTIONS WITH RELATED PARTIES

The Company wishes to enter into transactions with related parties as below. The respective transactions with respective companies with interested directors are given below in the table. As per 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, consent of the members is required by way of a resolution. Accordingly, the resolution placed as an Ordinary Resolution for your consent and approval.

Name of the Related Party	Name of the interested Director	Nature of transaction Up to Value in Rs. Lakhs Period(FY 2023-24)	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. 11240 Lakhs	188(1)(a)
Siddapur Distilleries Limited	Mr. Jagadeesh S Gudagunti Mr. Veerupakshayya J Gudagunti Mr. Dharmalingayya J Gudagunti Mr. Rajendrakumar S Gudagunti	Sale of Molasses Rs. 12076 Lakhs	188(1)(a)

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	Mr. Sudhir S Gudagunti Mr. Sathish S Gudagunti	2023-2024	
Gudagunti Sugars & Bioenergies Private 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	Investment	188(1)(g)

Mr. Jagadeesh S Gudagunti, Mr. Veerupakshayya J Gudagunti, Mr. Dharmalingayya J Gudagunti, Mr. Rajendrakumar S. Gudagunti, Mr. Sudhir S Gudagunti and Mr. Sathish S Gudagunti are directly interested in the resolution.

ITEM NO. - 5 INVESTMENT IN GUDAGUNTI SUGARS & BIOENERGIES PRIVATE LIMITED, EXCEEDING THE LIMITS SPECIFIED IN SECTION 186(3) OF THE COMPANIES ACT, 2013.

The company intends to invest to the tune of Rs. 35,00,00,000/- (Rupees Thirty Five Crores) in the Redeemable Non-Cumulative, Non Participating, Preference Share Capital, redeemable at the end of twentieth year, from the date of allotment to be issued by Gudagunti Sugars & Bioenergies Private Limited, holding CIN: U11019KA2023PTC174459, having its registered office at P. No. 62-502-44, Mahaveer Colony, Kudachi Road, Jamkhandi -587301 in one or more tranches, and on such other terms and conditions as may be mutually agreed between the both parties. The company feels that this would be profitable investment and add to the company's value. Accordingly, the Board decided to invest in this company. However, the quantum of investment exceeds the limits specified in section 186(3) of the Companies Act, 2013. So, a consent and approval from the members as a Special Resolution is essential as per section 186(3) of the Companies Act, 2013. Accordingly, the resolution placed as a Special resolution for your consent and approval.

Mr. Jagadeesh S Gudagunti, Mr. Veerupakshayya J Gudagunti, Mr. Dharmalingayya J Gudagunti, Mr. Rajendrakumar S. Gudagunti, Mr. Sudhir S Gudagunti and Mr. Sathish S Gudagunti are directly interested in the resolution.

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ITEM NO. - 6 ALTERATION TO MEMORANDUM OF ASSOCIATION BY AMENDING OBJECTS INCIDENTAL AND ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS OF THE COMPANY.

The specific clause to be substituted in existing clause 11 under clause III(B) under objects incidental and ancillary to the attainment of main objects of the Company. This clause an enabling clause for the company to amalgamate, reconstruct, acquire, absorb, merge or demerge with one or more Company(ies) or body(ies) Corporate. The existing clause is not clearly worded. A clause with clear wording is being substituted. This requires approval from members by way of Special resolution. Accordingly, the said resolution is placed as a Special resolution before the members for their consent and approval.

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

ITEM NO.: 7. CONFIRMATION OF REMUNERATION TO COST AUDITORS FOR THE F.Y. 2023-24.

The Board, on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s. S.K. Tikare & Co., Cost Accountants (M.No.020794) (FRN.101039) as the Cost Auditors to conduct the audit of the cost records of the Company relating to Sugar and Electricity for the financial year ending March 31, 2023 at a remuneration of Rs.1,10,000/- (Rupees One Lakh Ten Thousand only) per annum for FY 2023-24.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company at the ensuing 28th A.G.M. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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

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It is recommended that the resolution be passed as special resolution.

**“By Order of the Board”
For SHRI PRABHULINGESHWARSUGARS
AND CHEMICALS LIMITED**

**Place : Siddapur
Date: 22.08.2023**

**JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00464873**

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NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular No. 20/2020 dated May 5, 2020 & General Circular No.02/2021 dated January 13, 2021 read with General Circular Nos. 02/2022 dated 05.05.2022 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), and MCA Circulars, the 27th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through Video Conferencing (“VC”) or through Other Audio-Visual Means (“OAVM”), on **30th day September 2023 at 11.00 A.M. (IST)** and members can attend and participate in the ensuing AGM through VC/OAVM.
2. The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at No. Sy. No.104,100 & 96 Factory Site Village Siddapur, Taluk-Jamkhandi Siddapur Bagalkot KA 587301 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, 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

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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@bfsi.co.in or vp-rta@bfsi.co.in. Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates, to the concerned Depository Participants.
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 2022-23 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 2022-23, for those members, whose email IDs are not registered is as detailed below:

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- 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.cs@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@bfsf.co.in or vp_rta@bfsf.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 Mr. 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 27.09.2023 and will end at 05:00 P.M. (IST) on 29.09.2023. 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 23.09.2023, are entitled to vote on the Resolution(s), set forth in this notice.

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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.
17. **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, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular Nos. 02/2022 dated 05.05.2022, Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. 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. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

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5. 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.
6. 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 [www. http://www.prabhusugars.com](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.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCACircular No. 20/2020 dated May 05, 2020.

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 27.09.2023** and will end at **05:00 P.M. (IST) on 29.09.2023**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date 23.09.2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) **LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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- 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.
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- | |
|--|
| <ul style="list-style-type: none">• Enter your 10digit 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. |
|--|

- (iv) After entering these details appropriately, click on "SUBMIT" tab.
- (v) 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.
- (vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (viii) 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.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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- (x) 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.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiii) 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.
- (xiv) **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.

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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 prabhusugar.cs@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.

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PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NUMBERS ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to prabhusugar.cs@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.
18. 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., 20.09., may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
19. 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.
20. 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.
21. The Register of Members and Share Transfer & Transmission Registers of the Company will remain closed from 21.09.2023 to 22.09.2023 (both days inclusive).

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BOARD'S REPORT

To,
Members,
Shri Prabhulingeshwar Sugars and Chemicals Limited

Dear Members,

The Directors hereby present the Twenty Seventh Annual Report of your Company on the business and operations for the year ended March 31, 2023.

1. FINANCIAL SUMMARY AND PERFORMANCE OF THE COMPANY :

OPERATING RESULTS:

(Rs. In Lakhs)

SI No	Particulars	2022-23	2021-22
1	Turnover	85,024.11	63,934.26
2	Cost of Sales	75,270.29	55,415.28
3	Operating Profit	9,753.82	8,339.82
4	Interest	6404.85	5,969.83
5	Depreciation	1620.61	1,358.63
6	Net Profit After Tax	1728.36	1,011.36
7	Balance of Profit brought forward from the previous year.	265.42	-745.94
8	Balance carried to Balance Sheet	1993.78	265.42
9	Earnings Per Share (Rs.)	3.71	2.17
10	Share Capital	4661.86	4,661.86
11	Net Worth	37,627.30	32,437.22

PRODUCTION PERFORMANCE FOR THE YEAR 2021-22 & 2020-21.

A) SUGAR DIVISION: (Season-wise)

SI No.	Particulars	2022-23	2021-22
1	Sugarcane Crushed (MT's)	1776352.868	18,10,297.976
2	Sugar Produced (Qtls)	15,74,300	17,08,500
3	Recovery (%)	11.75%	11.65%
4	Export of Sugar (Qtls)	2,29,130	4,49,265

B) SUGAR DIVISION: (Financial year)

SI No.	Particulars	2022-23	2021-22
1	Sugarcane Crushed (MT's)	18,08,177.97	18,10,297.976
2	Sugar Produced (Qtls)	16,04,600	17,08,500
3	Sugar Recovery (%)	11.73%	11.65%
4	Export of Sugar (Qtls)	256065	4,49,265

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

Sl No.	PARTICULARS	2022-23	2021-22
1	Power Exported (Units)	65353750	6,31,68,000
2	Power Average rate (PU)	Rs.6.32	Rs. 5.21
3	Total Value (Rs)	41,33,86,300	Rs. 32.93 Cr

2. INDUSTRIAL SCENARIO :

Sugar Industry:

India sugar industry overview:

Sugar production in India is expected to decline ~10.1% from the initial estimates of 36.5 million tonnes to 32.8 million tonnes, mainly on account of yield impact in Maharashtra and Karnataka. Sugar consumption is expected at 28.0 million tonnes in 2022-23 as compared to 27.4 million tonnes in the previous season. India's sugar inventory is expected to decrease from 7.0 million tonnes in 21-22 to 5.7 million tonnes in 22-23 after considering the sugar exports of 6.1 million tonnes and diversion of 4.0 million tonnes equivalent of sugar for ethanol production. The domestic sugar prices remained stable with sufficient availability. The top three states (Uttar Pradesh, Maharashtra and Karnataka) contributed 85% of India's total sugar production.

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

India is the second largest exporter of sugar in the world. Indian sugar exports touched an all-time high of around 11.1 million tonnes in the 2021-22 sugar season. The country is expected to export around 6.1 million tonnes of sugar in the 2022- 23 sugar season. On 5th November, 2022, the sugar export policy of 2022-23 was announced which allowed exports of 60 lakhs tonnes of the sweetener on a quota-basis till 31st May, 2023.

Sugarcane Price - REMUNERATIVE to farmers!

The government hiked the fair and remunerative price (FRP) of sugarcane for the 2022-23 sugar season by Rs. 15 per quintal to Rs. 305. For every 0.1% rise in recovery over 10.25%, a premium of Rs. 3.05 per quintal will have to be paid to the farmer, while for every 0.1% reduction in recovery below 10.25%, fair and remunerative price paid will be reduced by Rs. 3.05 per quintal. The government decided to fix a price of Rs. 282.12 per quintal in 2022-23 compared to Rs. 275.50 per quintal in 2021-22 in case of 9.5% recovery for the farmers who don't have very high yielding varieties

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

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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.

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 :

In accordance with Section 134(3)(a) of the Companies Act, 2013 extract of the Annual Return in prescribed format MGT-9 is displayed in company's website : www.prabhusugars.com.

4. BOARD MEETING :

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

Particulars	1 st Qtr June- 2022	2 nd Qtr Sept-2022		3 rd Qtr Dec-2022		4 th Qtr Mar-2023
Date of Board Meeting	31/05/22	21/07/22	24/08/22	21/09/22	28/11/22	14/03/23
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

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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	YES	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 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. Committee	Stakeholders Relationship Committee	CSR Committee	Chairman of the Committee
Shri Deval A. Desai	-	YES	YES	-	-
Shri Nagappa G. Sanadi	YES	-	-	-	-
Shri Sudheer S. Gudagunti	-	-	YES	-	Stake holders relationship Committee
Shri S. P. Hiremath	YES	YES	-	-	N.R. Committee
Shri R.S. Gudagunti	-	-	YES	-	Share Transfer Committee
Shri M. C. Koti	YES	YES	-	YES	Audit Committee
Shri V. J. Gudagunti	-	-	-	YES	CSR Committee
Shri Sateesh S. Gudagunti	-	-	-	YES	-

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MEETINGS OF THE COMMITTEES

1. Audit Committee :

The Audit Committee has met four times during the financial year 2021-22. The Details and attendance of each director is given below:

Members	3	3	3	3
Shri S. P. Hiremath	YES	YES	YES	YES
Shri N.G. Sanadi	YES	YES	YES	YES
Shri M. C. Koti	YES	YES	YES	YES
Shri V. J. Gudagunti	YES	YES	YES	YES

2. Nomination and Remuneration Committee :

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

3. Stakeholders Relationship Committee :

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

4. Share Transfer Committee :

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

5. CSR Committee

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

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	Appointm ent date	Resignat ion date
1	Shri Jagadeesh S. Gudagunti	Chairman and Managing Director	30.11.2021	-
2	Shri Rajendrakumar S. Gudagunti	Director	30.11.2021	-
3	Shri D.J. Gudagunti	Director	26.09.2022	-
4	Shri V. J. Gudagunti	Executive 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	-
10	Shri M. C. Koti	Independent Director	26.09.2022	-
11	Smt.CA Ishwari A. Gudagunti	Director	31.12.2020	-

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4.B) KEY MANAGERIAL PERSONNEL:

Sl. No	Name	Designation	Date of Appointment	Date of Resignation
1	Shri J. S. Gudagunti	C.M.D.	30.11.2021	-
2	Shri V. J. Gudagunti	E.D & 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 Sateesh J. Gudagunti, Director, and Smt. Ishwari A. Gudagunti, Directors retire by rotation at the ensuing 28th 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 S.P. Hiremath and Shri M. C. Hipparagi as Independent Directors for period of 5 years i.e. up to conclusion of 28th AGM. Shri M. C. Hipparagi, resigned for the post Independent Director w.e.f. 18.12.2022. At 27th Annual General Meeting members appointed Shri M. C. Koti as Independent Director.

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.

A meeting of Independent Director was held on 16.08.2023.

4.G) COMMITTEES OF THE BOARD :

Currently, the Board has four 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 an activities
Audit Committee	Sri M. C. Koti - Chairman Sri S. P. Hiremath -Member Sri N.G. Sanadi - Member	<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.

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Nomination and Remuneration Committee	Sri S. P. Hiremath -Chairman Sri M.C. Hipparagi Member Sri Deval A. Desai - Member	<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
Stake Holders Relationship Committee	Sri Sudher Gudagunti - Chairman Sri Deval A. Desai- Member Sri R. S. Gudagunti- Member	<ul style="list-style-type: none">• The Committee reviews and ensures redressal of investor grievances.
Corporate Social Responsibility Committee	Sri V. J. Gudagunti Sri M. C. Koti Sri Sateesh S. Gudagunti	<ul style="list-style-type: none">• The Committee reviews and ensures Corporate Social Responsibility Compliances.

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.

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) the Directors had 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;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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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 :

1. Auditors in their report : NIL
2. Secretarial auditors in their report :

1. 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 date. - **Company is in the process of appointing Company Secretaries.**
2. An Independent director resigned with effect from 18/12/2021, since then the Board, Audit committee of the company are not duly constituted during the period (19/12/2021 to 26/09/2022). **The Company appointed Shri M. C. Koti as Independent Director at the 27th AGM held on 26.09.2022.**

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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 : NIL

11. 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**

12. 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**.

13. AMOUNT TRANSFERRED TO RESERVES : Rs. NIL.

14. PROPOSED DIVIDEND : NIL

15. 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.

16. 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**.

17. 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.

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18. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

For the financial year 2021-22, company earned profit after tax of Rs. 10.11 Crores, however Net Profit computed in accordance with section 198, profits are less than Rs. 5.00 Crores and hence the provisions of Section 135 and amended CSR Rules 2021 are not applicable to your company.

19. 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, Nomination and Remuneration Committee and is satisfied with the performance of them.

20. 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 VSI 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.

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21. 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.

22. 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**.

23. 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.

24. AUDITORS :

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

25. INTERNAL AUDITORS :

Smt. Prafulla G. Melinamani., Chartered Accountants, Jamkhandi (Owner of P. G. MELINAMANI & CO) (Firm Registration Number -013073S) 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.

26. SECRETARIAL AUDITORS :

M/s. Gopalakrishnaraj H.H. & Associates, Company Secretary in practice, Bengaluru (FCS: 5654; CP: 4152) was appointed as 'Secretarial Auditors' of the company for the Financial Year 2022-23 as required under section 204 of the Companies Act, 2013 and rules thereunder to conduct Secretarial Audit for the year ended 31st March 2023. The Secretarial Audit Report from Secretarial Auditor for FY2022-23 is annexed to this report as **Annexure -3**.

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27. COST AUDITORS :

The cost audit report for the year ended 31st March 2022 given by Shri Sanjay Tikare, Cost Accountant (M.No.20794) Firm No. 101039 was filed with registrar of companies, Bengaluru within due dates.

M/s. S.K. Tikare & Co., Cost Accountants appointed as "Cost Auditor" of the company relating to Sugar and Electricity for the financial year 2022-23. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

28. UNCLAIMED DIVIDEND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) : NIL

29. 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.

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 : During the year the company did not have any woman employee. So, disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, does not arise.

31. AWARDS :

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

- During 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.

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- “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.

32. 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.

“By Order of the Board”

**For SHRI PRABHULINGESHWARSUGARS
AND CHEMICALS LIMITED**

Place : Siddapur

Date: 22.08.2023

**JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00464873**

Annexure-1

NOMINATION AND REMUNERATION POLICY

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

I. PREAMBLE:

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

II. OBJECTIVES:

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

III. DEFINITIONS:

- "Board" means Board of Directors of the Company.
- "Company" means "Shri Prabhulingeshwar Sugars and Chemicals Limited."
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager
 - (ii) Whole Time Director
 - (iii) Company Secretary
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

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

IV. INTERPRETATION:

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

V. GUIDING PRINCIPLES:

The Policy ensures that:

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

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia is the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in KMP in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and KMP
- f) To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP:

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

VIII. CHAIRMAN:

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

IX. FREQUENCY OF MEETINGS:

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

X. COMMITTEE MEMBERS' INTERESTS:

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

XI. VOTING :

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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

Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at senior management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of 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 paid any commission to independent directors of the Company.

c) Stock Options:

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

XIV. MINUTES OF COMMITTEE MEETING

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

XV. DEVIATIONS FROM THIS POLICY

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

“By Order of the Board”

For SHRI PRABHULINGESHWAR

SUGARSAND CHEMICALS LIMITED

Place : Siddapur

Date: 22.08.2023

JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR

DIN: 00464873

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

- (a) "Audit Committee" - means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- (b) "Alleged Wrongful Conduct" - wrongful conduct shall mean and includes, but not limited to:
- Corporate Governance
 - Related Party Transactions
 - Mis-appropriation of funds
 - Noncompliance to the law of the land or violation of law
 - Concealing legal mandatory disclosures
 - Breach of fiduciary responsibilities
 - Infringement of Company Code of Conduct
 - Breach of integrity and ethics policy
 - Prohibitive Insider Trading Code of the Company
 - Financial Irregularities
 - Infringement and misuse of Intellectual Property
- c) "Code" - means Company Code of Conduct
- d) "Company means" - "Shri Prabhulingeshwar Sugars and Chemicals Limited"
- e) "Employee" - Employee means every employee of the Company (whether working in India or abroad), permanent or temporary including the contracted employee and Directors of the Company whether in the employment of the Company or not.
- f) "Protected Disclosure" - means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g) "Subject" - means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h) "Whistle Blower" - means an Employee making a Protected Disclosure under this Policy.

3. SCOPE OF THE POLICY:

- a) This policy covers all employees of Shri Prabhulingeshwar Sugars and Chemicals Limited.
- b) The Policy covers any 'Wrongful Conduct' and other malpractices which have taken place involving, but not limited to:
- Any unlawful act, whether criminal or not.
 - Breach of any Policy or Manual or Code of Conduct adopted by the Company.
 - Abuse (e.g. through physical, psychological or financial abuse, exploitation or neglect).
 - Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe).
 - Any instance of failure to comply with legal or statutory obligation either on behalf of the company or in any personal capacity in the course of discharging duties of the Company.
 - Any kind of financial malpractice.

- Abuse of power (e.g. bullying/harassment).
 - Negligence causing substantial and specific danger to public health and safety
 - Wastage/misappropriation of company funds/assets
 - Any other unethical or improper conduct.
- c) All employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any other subsidiaries. But we don't have subsidiary company.
- d) This policy has been introduced by the Company to enable to raise their Protected Disclosures about any 'Alleged Wrongful Conduct', malpractice, impropriety, abuse or 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.
If any member of the Audit Committee has a conflict of interest in any given case, then he should abstain himself and the other members of the Audit Committee should deal with the matter on hand.
- b) Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c) The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle blower that an improper or unethical act was committed.
- d) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f) Subject shall co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g) Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle blower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h) Subject shall not interfere with the investigation.

- i) Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject.
- j) Unless there are compelling reasons not to do so, subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- k) Subject has a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- l) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

4. Appeal against the decision of the Audit Committee:

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

5. Untrue Allegations:

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

6. Maintaining confidentiality of the Protected Disclosure:

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

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

7. COMPLAINTS OF RETALIATION AS A RESULT OF DISCLOSURE:

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

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

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

"By Order of the Board"
FOR SHRI PRABHULINGESHWAR
SUGARSAND CHEMICALS LIMITED

Place : Siddapur
Date : 22/08/2023

JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR
DIN-00464873

ANNUAL REPORT – 28th ANNUAL GENERAL MEETING

Secretarial Audit Report

For the financial year ended 31st March 2023

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

To:

The Members,

Shri Prabhulingeshwar Sugars and Chemicals

LimitedCIN: 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 2023 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 2023 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:

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

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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 date.*
- b) *An Independent director resigned with effect from 18/12/2021. This position was filled on 26/09/2022. So, during the period (19/12/2021 to 26/09/2022) the Board, Audit committee of the company were not duly constituted.*

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 not duly constituted after 18/12/2021 till 26/09/2022, due to resignation of an independent director due to which the Board has no proper balance of Executive Directors, Non-Executive Directors and Independent Directors.* 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 180 of the Act at the Annual General Meeting.
- b) the company has taken approval by the members in pursuance to section 186 of the Act at the Annual General Meeting.
- c) the company has taken approval by the members for appointment of a Non-Executive Independent Director at the Annual General Meeting.
- d) the company has taken approval by the members for appointment of Statutory Auditor at the Annual General Meeting.
- e) the company has taken approval by the members for remuneration to Cost Auditors at the Annual General Meeting

ANNUAL REPORT – 28th ANNUAL GENERAL MEETING

For GOPALAKRISHNARAJ H. H. & ASSOCIATES
Company Secretaries

Gopalakrishnaraj H. H.
Proprietor
FCS-5654 , CP-4152
Firm No. - S2010KR129900
PR:945/2020
UDIN-F005654E000806300

Place-Bengaluru
Date-16.08.2023.

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Annexure to Secretarial Audit

To:
The Members,
Shri Prabhulingeshwar Sugars and Chemicals
LimitedCIN: 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

Gopalakrishnaraj H. H.
Proprietor
FCS-5654 , CP-4152
Firm No. - S2010KR129900
PR:945/2020
UDIN-F005654E000806300

Place-Bengaluru
Date-16.08.2023.

Annexure - 4

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

Details of Loans:

Date of making the loan

1. Details of borrower
2. Amount
3. Rate of Interest
4. Purpose for which the loan is to be utilized by the borrower NIL
5. Time period for which it is given.
6. Security
7. Date of Special resolution, if any.
8. Date of Board resolution

Details of Investments:

1. Date of providing Guarantee and/or security
2. Details of recipient
3. Amount
4. Purpose NIL
5. Expected rate of return
6. Date of Special resolution if any
7. Date of Board resolution

Details of Guarantee and/or security provided:

Sl. No.	Details	Rs.	Purpose	E.R.R	D.S.R.	D.B.R
1	Bank of India Vijayapur	50.00 Crores	Availing Harvesting & Transportation Loan	-NA-	28-10-16	26.11.22
2	State Bank of India(ADB), Jamkhandi	35.00 Crores	Availing Harvesting & Transportation Loan	-NA-	28-10-16	26.11.22
	Total	85.00				

Note: ERR - Expected rate of return, DSR-Date of Special resolution, DRB-Date of Board Resolution.

**“By Order of the Board”
For SHRI PRABHULINGESHWAR
SUGARS AND CHEMICALS LIMITED**

Place : Siddapur

Date: 22.08.2023

**JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR**

Annexure - 5

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 contracts or arrangements or transactions entered during the year ended March 31, 2023, 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, 2023, 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
Siddapur Distilleries Limited	Common Directors	Sale of BH Molasses	115 Days	51304 MT @ Rs.13620/- per MT	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of BH Molasses	171 Days	20000 MT @ Rs.13250/- per MT	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of Syrup	115 Days	60887 KL @ Rs.15000/- per KL	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of Press mud	365 Days	63,907 MT @ Rs.275/- per MT	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of DM Water	365 Days	58,520 KL @ Rs.200/- per KL	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	288 Days	20000 MT @ Rs.2100/- per MT + Applicable Taxes	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	148 Days	30000 MT @ Rs.2100/- per MT + Applicable Taxes	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Sale of Bagasse	31 Days	20000 MT @ Rs.2100/- per MT + Applicable Taxes	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	TG Set	365 Days	17,700/- per Month	-NA-	NIL
Siddapur Distilleries Limited	Common Directors	Lease Rent	365 Days	1,77,000/- per Year	-NA-	NIL

"By Order of the Board"
For SHRI PRABHULINGESHWAR
SUGARS AND CHEMICALS LIMITED

Place : Siddapur
Date: 22.08.2023

JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR

ANNUAL REPORT – 28th ANNUAL GENERAL MEETING

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. TECNOLOGY ABSORPTION :-

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

C. FOREIGN EXCHANGE EARNINGS AND OUTO (As on 31.03.2022)

Particulars	2022-23	2021-22
Earnings (Third Party) Rs.	95.68 Cr	131.56 Cr
Outgo	Nil	Nil

D. POWER AND FUEL CONSUMPTION (As on 31.03.2023)

Particulars	Figures in Units	Rate / Unit	Actual Paid Amt
Electricity Purchase	28,25,550 (24,13,250)	Rs.11.20/- + MD Charges	5,92,24,129/- (3,17,30,423/-)

Diesel Consumption for DG Set	4000 Ltrs (3000 Ltrs)	89.03/ltr (82.26)/Ltr	3,56,120/- (2,46,780/-)
Own generation of power through steam turbine	12,44,46,100 (12,41,13,600)	--	--
Consumption of power for SugarPlant	4,96,86,260 (5,14,38,868)	--	--
Consumption of power for Co-gen plant	1,22,15,047 (12549970)	--	--
Consumption of power per quintalof sugar production	25.07 (26.58 Units)	--	--

“By Order of the Board”
For SHRI PRABHULINGESHWAR
SUGARS AND CHEMICALS LIMITED

Place : Siddapur
Date: 22.08.2023

JAGADEESH S. GUDAGUNTI
CHAIRMAN AND MANAGING DIRECTOR

Annexure-1

**FORM NO. MGT 9 EXTRACT OF
ANNUAL RETURN**

As on Financial year ended 31/03/2023

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 1(1) of the Company &
(Management Administration) Rules, 2014**

I. REGISTRATION & OTHER DETAILS:

1	CIN	U85110KA1995PLC017861
2	Registration Date	25.05.1995
3	Name of the Company	Shri Prabhulingeshwar Sugars and Chemicals Limited
4	Category/Sub-category of the Company	Indian Non-Government Company
5	Address of the Registered office & contact details	Siddapur-587301, Tq. Jamkhandi, Dt. Bagalkot, Tel.No.08353-238004, 238200
6	Whether listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S.No	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the Company
1	Sugar	2060	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.N.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associates	% of Shares held	Applicable section

NIL

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as pe percentage of Total Equity)

i) Catagoty wise Shareholding

Category of Shareholders	No.of Shares held at the beginning of the year (As on 31-03-2022)				No.of Shares held at the end of the year (As on 31-03-2023)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTERS									
(1) Indian									
a) Individual	13367834	3006307	16374141	35.124	13583834	3006307	16590141	35.587	0.463
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A)(1)	13367834	3006307	16374141	35.124	13583834	3006307	16590141	35.587	0.463
(2) Foreign									
a) NRI's Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI's	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
A=A(1)+A(2)	13367834	3006307	16374141	35.124	13583834	3006307	16590141	35.587	0.463
(B) Public Shareholding									
1. Institutions									
a) Mututal Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9191800	0	9191800	19.717	9191800	0	9191800	19.717	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	15044790	15044790	32.272	0	14969790	14969790	32.111	-0.161
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	6007864	6007864	12.887	0	5866864	5866864	12.585	-0.302
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	9191800	21052654	30244454	64.876	9191800	20836654	30028454	64.413	-0.463
Total Public Shareholding (B) = (B)(1)+ (B)(2)	0	21052654	30244454	64.876	0	20836654	30028454	64.413	-0.463
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	22559634	24058961	46618595	100.00	22775634	23842961	46618595	100.00	

(i) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year (As on 31-03-2022)			Shareholding at the end of the year (As on 31-03-2023)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	
1	SRI. JAGADEESH S. GUDAGUNTI	13367834	28.675	NIL	13583834	29.138	NIL	0.463
2	SRI. SATISH S. GUDAGUNTI	956035	2.051	NIL	956035	2.051	NIL	0
3	SRI. RAJENDRAKUMAR S. GUDAGUNTI	1036334	2.223	NIL	1036334	2.223	NIL	0
4	SRI. SUDHEER S. GUDAGUNTI	879134	1.886	NIL	879134	1.886	NIL	0
5	SRI. NAGAYYA A. CHARANTIMATHI	35801	0.077	NIL	35801	0.077	NIL	0
6	SRI. SUBODH VINAYAKJOSHI	11001	0.024	NIL	11001	0.024	NIL	0
7	SRI. NAGAPPA G.SANADI	77001	0.165	NIL	77001	0.165	NIL	0
8	SRI. APPASAHEB R.PATIL	11001	0.024	NIL	11001	0.024	NIL	0

(ii) Change in Promoters' Shareholding

S.N.	Name of the Promoter	Reason	Shareholding at the beginning of the year (As on 31-03-2022)		Cumulative Shareholding during the year (As on 31-03-2022)	
			No. of shares	% of total Shares	No. of shares	% of total Shares
	AT THE BEGINNING OF THE YEAR		16374141	35.124		
1	SRI. JAGADEESH. S. GUDAGUNTI					
	Beginning of the Year		13367834	28.675		
	Changes during the year	Transfer	216000	0.463		
	End of the Year				13583834	29.138
2	SRI. SATISH S. GUDAGUNTI					
	Beginning of the Year		956035	2.051		
	Changes during the year		0	0		
	End of the Year				956035	2.051
3	SRI. RAJENDRAKUMAR S. GUDAGUNTI					
	Beginning of the Year		1036334	2.223		
	Changes during the year		0	0		
	End of the Year				1036334	2.223
4	SRI. SUDHEER S. GUDAGUNTI					
	Beginning of the Year		879134	1.886		
	Changes during the year		0	0		
	End of the Year				879134	1.886
5	SRI. NAGAYYA A. CHARANTIMATH					
	Beginning of the Year		35801	0.077		
	Changes during the year		0	0		
	End of the Year				35801	0.077
6	SRI. SUBODH VINAYAK JOSHI					
	Beginning of the Year		11001	0.024		
	Changes during the year		0	0		
	End of the Year				11001	0.024
7	SRI. NAGAPPA GADIGAPPA SANADI					
	Beginning of the Year		77001	0.165		
	Changes during the year		0	0		
	End of the Year				77001	0.165
8	SRI. APPASAHEB RAYAGOWDA PATIL					
	Beginning of the Year		11001	0.024		
	Changes during the year		0	0		
	End of the Year				11001	0.024
	AT THE END OF THE YEAR				16590141	35.588

(iii) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (Ason 31-03-2022)		Cumulative Shareholding during the year (As on 31-03-2023)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	AT THE BEGINNING OF THE YEAR	1898429	4.072		
1	SRI. JAGADEESH S. GUDAGUNTI (HUF)	306000	0.656	306000	0.656
2	SRI. M. I. GHANAKUMARMATH	243002	0.521	243002	0.521
3	SRI. KALLINATH C. HIREMATH	220000	0.472	220000	0.472
4	SRI. SHIVAYYA A. HIREMATH	205500	0.441	205500	0.441
5	SRI. GANGADHAR P. SARANGAMATH	192000	0.412	192000	0.412
6	SRI. G.I. GHANAKUMARMATH	182100	0.391	182100	0.391
7	SRI. A.M.JAYAPRAKASH	177000	0.380	177000	0.380
8	SRI. JAGADEESH P. HIREMATH	161827	0.347	161827	0.347
9	SRI. SUDHEER SHIVAYYA GUDAGUNTI (HUF)	137500	0.295	137500	0.295
10	SMT. DRAKSHAYANI SUDHEER GUDAGUNTI	73500	0.158	73500	0.158

B Date wise Increase / Decrease in Top 10 Shareholders during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):

S.N.	Name of the Top 10 Shareholders	Reason	Shareholding at the beginning of the year 31-03-2022		Cumulative Shareholding during theyear 31-3-2023	
			No. of shares	% of total Shares	No. of shares	% of total Shares
1	SRI. JAGADEESH S. GUDAGUNTI (H.U.F.)					
	Beginning of the Year		306000	0.656		
	Changes during the year		0	0		
	End of the Year				306000	0.656
2	SRI. M.I. GHANAKUMARMATH					
	Beginning of the Year		243002	0.521		
	Changes during the year		0	0		
	End of the Year				243002	0.521
3	SRI. KALLINATH C. HIREMATH					
	Beginning of the Year		220000	0.472		
	Changes during the year		0	0		
	End of the Year				220000	0.472
4	SRI. SHIVAYYA A. HIREMATH					
	Beginning of the Year		205500	0.441		
	Changes during the year		0	0		
	End of the Year				205500	0.441
5	SRI. JAGADEESH P. HIREMATH					
	Beginning of the Year		161827	0.347		
	Changes during the year		0	0		
	End of the Year				161827	0.347
6	SRI. GANGADHAR P. SARANGMATH					
	Beginning of the Year		192000	0.412		
	Changes during the year		0	0		
	End of the Year				192000	0.412
7	SRI. G.I. GHANAKUMARMATH					
	Beginning of the Year		182100	0.391		
	Changes during the year		0	0		
	End of the Year				182100	0.391

S.N	Name of the Top 10 Shareholders	Reason	Shareholding at the beginning of the year 31-03-2022		Cumulative Shareholding during the year 31-3-2023	
			No. of shares	% of total Shares	No. of shares	% of total Shares
8	SRI. A.M.JAYAPRAKASH					
	Beginning of the Year		177000	0.380		
	Changes during the year		0	0		
	End of the Year				177000	0.380
9	SRI. SUDHEER SHIVAYYA GUDAGUNTI (HUF)					
	Beginning of the Year		137500	0.295		
	Changes during the year		0	0		
	End of the Year				137500	0.295
10	SMT. DRAKSHAYANI SUDHEER GUDAGUNTI					
	Beginning of the Year		73500	0.158		
	Changes during the year		0	0		
	End of the Year				73500	0.158
	AT THE END OF THE YEAR				1898429	4.072

(iv) Shareholding of Directors and Key Managerial Personnel;

S.N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 31-03-2022)		Cumulative Shareholding during the year (As on 31-03-2023)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
DIRECTORS					
1	SRI. JAGADEESH S. GUDAGUNTI	13367834	28.675	13583834	29.138
2	SRI. VEERUPAKSHAYYA J. GUDAGUNTI	180000	0.386	180000	0.386
3	SRI. DHARMALINGAYYA J. GUDAGUNTI	1124000	2.411	1124000	2.411
4	SRI. RAJENDRAKUMAR S. GUDAGUNTI	1036334	2.223	1036334	2.223
5	SRI. SATEESH S. GUDAGUNTI	956035	2.051	956035	2.051
6	SRI. SUDHEER S. GUDAGUNTI	879134	1.886	879134	1.886
7	SRI. N.G.SANADI	77001	0.165	77001	0.165
8	SRI. S.P.HIREMATH	26000	0.056	26000	0.056
9	SRI. M.C.KOTI	28000	0.060	28000	0.060
10	SRI. D.A.DESAI	9000	0.019	9000	0.019
11	SMT. ESHWARI A. GUDAGUNTI	0	0.000	0	0.000
KEY MANAGERIAL PERSONNEL (KMP)					
1	SRI. JAGADEESH S. GUDAGUNTI	13367834	28.675	13583834	29.138
2	SRI. VEERUPAKSHAYYA J. GUDAGUNTI	180000	0.386	180000	0.386

Date wise Increase / Decrease in Director and KMP Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):

S.N.	Name of the Directors and Key Managerial Person	Reason	Shareholding at the beginning of the year (As on 31-03-2022)		Cumulative Shareholding during the year (As on 31-03-2023)	
			No. of shares	% of total Shares	No. of shares	% of total Shares
1	SRI. JAGADEESH. S. GUDAGUNTI					
	Beginning of the Year		13367834	28.675		
	Changes during the year	Transfer	216000	0.463		
	End of the Year				13583834	29.138
2	SRI. VEERUPAKSHAYYA J. GUDAGUNTI					
	Beginning of the Year		180000	0.386		
	Changes during the year		0	0		
	End of the Year				180000	0.386
3	SRI. DHARMALINGAYYA J. GUDAGUNTI					
	Beginning of the Year		1124000	2.411		
	Changes during the year		0	0		
	End of the Year				1124000	2.411
4	SRI. RAJENDRAKUMAR S. GUDAGUNTI					
	Beginning of the Year		1036334	2.223		
	Changes during the year		0	0		
	End of the Year				1036334	2.223
5	SRI. SATEESH S. GUDAGUNTI					
	Beginning of the Year		956035	2.051		
	Changes during the year		0	0		
	End of the Year				956035	2.051
6	SRI. SUDHEER S. GUDAGUNTI					
	Beginning of the Year		879134	1.886		
	Changes during the year		0	0		
	End of the Year				879134	1.886

S.N.	Name of the Directors and Key Managerial Person	Reason	Shareholding at the beginning of the year (As on 31-03-2022)		Cumulative Shareholding during the year (As on 31-03-2023)	
			No. of shares	% of total Shares	No. of shares	% of total Shares
7	SRI. N.G.SANADI					
	Beginning of the Year		77001	0.165		
	Changes during the year		0	0		
	End of the Year				77001	0.165
8	SRI. S.P.HIREMATH					
	Beginning of the Year		26000	0.056		
	Changes during the year		0	0		
	End of the Year				26000	0.056
9	SRI. M.C.KOTI					
	Beginning of the Year		28000	0.060		
	Changes during the year		0	0		
	End of the Year				28000	0.060
10	SRI. D.A.DESAI					
	Beginning of the Year		9000	0.019		
	Changes during the year		0	0		
	End of the Year				9000	0.019
11	SMT. ESHWARI A. GUDAGUNTI					
	Beginning of the Year		0	0	0	0
	Changes during the year		0	0	0	0
	End of the Year		0	0	0	0

KEY MANAGERIAL PERSONNEL (KMP)

1	SRI. JAGADEESH. S. GUDAGUNTI					
	Beginning of the Year		13367834	28.675		
	Changes during the year	Transfer	216000	0.463		
	End of the Year				13583834	29.138
2	SRI. VEERUPAKSHAYYA J. GUDAGUNTI					
	Beginning of the Year		180000	0.386		
	Changes during the year		0	0		
	End of the Year				180000	0.386

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, 2023, 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 for the year ended on that date.

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, 2023, its Profit and Cash Flows for the yearended 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 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 skepticism throughout the audit. We also:

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

attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

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.

Further to our comments in the annexure referred to in the paragraph above, 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, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (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) As per the Secretarial Audit report Company has not complied the provisions of companies Act on the following two points:
1. 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 date.
 2. An Independent director resigned with effect from 18/12/2021. This position was filled on 26/09/2022. So, during the period (19/12/2021 to 26/09/2022) the Board, Audit committee of the company were not duly constituted.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company has not disclosed the impact of pending litigations on its financial position in its Financial Statements.;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. The Management represented that, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any

guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of 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) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 , as amended from time to time, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1st April, 2023 to the Company and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, is not applicable for the financial year ended 31st March, 2023.

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

(CA.MAHENDRA B. H.)
Proprietor
Membership No. 224944
UDIN : **23224944BGTGHO3101**
Place: Banahatti
Date: 22nd August, 2023

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 Sugarsand 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 is not having any intangible assets, hence not applicable
	(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
	(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
	(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	The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
	b	The Company has been sanctioned working capital limits in excess of Rs.5Crores in aggregate from Banks/financial institutions on the basis of security of current assets from various banks. Monthly returns / Statements are filed with banks/financial institutions which are in agreement with the books of account.
iii	a	According to information and explanation given to us, the company has provided the Corporate Guarantee to the Bank of India, Vijayapur Branch of Rs.50 Crore and State Bank of India, Jamkhandi Branch of Rs.35 Crores for the purpose of borrowing loans by the H & T Contractors for harvesting and transportation purpose does not prima facie appears to prejudicial to the company's interest of the Company.
	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 investments made, guarantees provided, securities given and / or grant of all loans and advances in the nature of Loans and Guarantees 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 not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are 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 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, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory Dues have been generally regularly deposited during the year by the company with the appropriate authorities.
	(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 any 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		<p>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.</p> <p>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.</p>				
ix	a	<p>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 2023.</p>				
	b	<p>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</p>				

		declared willful 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	In our opinion and according to the information and explanations given to us by the Management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures. The Company does not have any subsidiaries or joint ventures.
	f	The Company has not raised loans during the year on the pledge of securities held in its associate company. The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(f) of the order is not applicable to the Company.
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	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any Preferential Allotment or Private Placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
xi	a	During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and 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 (Auditand 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, during the course of our audit, the reports of the internal auditor for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our

		audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
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	On the basis of the Financial Ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report regarding the Company's capabilities of meeting its liabilities as and when they fall due within a period of one year from the balance sheet date.
xx	a	According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. (a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act; - Not Applicable

		(b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub- section (6) of section 135 of the said Act; - Not Applicable
xxi		The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in the report.

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

(CA. MAHENDRA B. H.)
Proprietor
Membership No. 224944
UDIN : **23224944BGTGHO3101**

Place: Banahatti
Date: 22nd August 2023

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 Sugarsand 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, 2023, 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 authorizations of management and directors of the company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of internal financial controls over financial reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA. MAHENDRA B. H.)
Proprietor
Membership No. 224944
UDIN : **23224944BGTGHO3101**

Place: Banahatti
Date: 22nd August 2023

Shri Prabhulingeshwar Sugars and Chemicals Limited.

Siddapur, CIN-U85110KA1995PLC017861

Balance Sheet as at March 31, 2023

(Amount in lakhs.)

Particulars	Note No.	As at 31/03/2023	As at 31/03/2022
I. EQUITY AND LIABILITIES:			
1 Shareholders' Funds			
(a) Share Capital	1	4,661.86	4,661.86
(b) Reserves and Surplus	2	32,965.44	32,437.22
2 Non-Current Liabilities			
(a) Long-term Borrowings	3	19,159.60	18,700.97
(b) Deferred Tax Liabilities (Net)	4	1,427.73	1,533.59
(c) Other Long Term Liabilities	5	1,859.79	1,859.79
(d) Long-term Provisions	6	1,088.53	966.85
3 Current Liabilities			
(a) Short-term Borrowings	7	39,914.86	42,417.43
(b) Trade Payables	8	27,888.16	27,225.83
(c) Other Current Liabilities	9	1,259.82	1,664.06
(d) Short-term Provisions	10	786.29	575.15
TOTAL		1,31,012.08	1,32,042.74
II. ASSETS:			
1 Non-Current Assets			
(a) Property, Plant and Equipment and Intangible assets	11		
(i) Property, Plant and Equipment		60,333.71	59,866.63
(ii) Capital Work-in-progress		762.80	385.10
(iii) Intangible Assets		-	-
(b) Non-current Investments	12	544.17	394.17
(c) Other Non-current Assets	13	72.42	73.44
2 Current assets			
(a) Current Investments	14	501.55	501.55
(b) Inventories	15	44,556.31	44,347.90
(c) Trade Receivables	16	14,577.03	16,736.09
(d) Cash and Bank Balances	17	2,431.84	1,647.46
(e) Short-Term Loans and Advances	18	6,774.35	7,634.28
(f) Other Current assets	19	457.91	456.11
TOTAL		1,31,012.08	1,32,042.74
Summary of significant accounting policies	33		

The Notes form an integral part of these financial statements

Place: Siddapur

Date : 19-06-2023

Place: Siddapur

Date :22-08-2023

"As per Our Report of Even Date attached

For SHRI PRABHULINGESHWAR SUGARS & CHEMICALS LIMITED.,

For MAHENDRA H & CO.,
FRN - 021745S
CHARTERED ACCOUNTANTS,

J. S. Gudagunti
Chairman & Managing Director
DIN 00464873

V. J. Gudagunti
Executive Director & CFO
DIN 07578798

N. G. Sanadi
Director
DIN 00666766

S P Hiremath
Independent Director
DIN 02112813

M. M. Hiremath
GM (F&A)

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

(MAHENDRA B. H.)
PROPRIETOR
(M. No.224944)

UDIN:23224944BGTGHO3101

Shri Prabhulingeshwar Sugars And Chemicals Limited.,

Siddapur, CIN-U85110KA1995PLC017861

Statement of Profit and Loss for the year ended March 31, 2023

(Amount in Lakhs.)

Sl. No.	Particulars	Note No.	Year ended 31/03/2023	Year ended 31/03/2022
I	Income:			
	Revenue from Operations	20	84,783.16	63,755.10
	Other Income	21	240.96	179.17
	Total Income		85,024.11	63,934.26
II	Expenses:			
	Cost of Materials Consumed	22	66,662.35	61,104.78
	Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	392.55	(11,888.77)
	Employee Benefits Expense	24	2,607.35	2,434.03
	Finance Costs	25	6,404.85	5,969.83
	Depreciation and Amortisation Expense	11	1,620.61	1,358.63
	Other Expenses	26	5,370.41	3,930.35
	Total Expenses		83,058.10	62,908.84
III	Profit Before Tax (I- II)		1,966.01	1,025.42
IV	Tax Expense:			
	Current Tax		343.50	179.16
	Deferred Tax		(105.85)	(165.10)
V	Profit/(Loss) for the Year (III-IV)		1,728.36	1,011.36
VI	Earnings Per Equity Share:			
	(i) Basic		3.71	2.17
	(ii) Diluted		3.71	2.17
The notes form an integral part of these financial statements				

Place: Siddapur

Date: 19/06/2023

Place: Siddapur

Date: 22-08-2023

"As per Our Report of Even
Date attached"

**For SHRI PRABHULINGESHWAR SUGARS
& CHEMICALS LIMITED.,**

**For MAHENDRA H & CO.,
FRN-0217455
CHARTERED ACCOUNTANTS,**

J. S. Gudagunti
Chairman & Managing Director
DIN 00464873

V. J. Gudagunti
Executive Director & CFO
DIN 07578798

N. G. Sanadi
Director
DIN 00666766

S P Hiremath
Independent Director
DIN 02112813

M. M. Hiremath
GM (F&A)

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

(MAHENDRA B.H)
PROPRIETOR
(M.No.224944)
UDIN:23224944BGTGHO3101

SHRI PRABHULINGESHWAR SUGARS AND CHEMICALS LIMITED.,SIDDAPUR,CIN-U85110KA1995PLC017861

Cash Flow Statement as on 31.03.2023

(Amount in lakhs.)

	Year ended 31/March/2023	Year ended 31/Mar/2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net profit before Tax	1,966.01	1,025.42
Adjustments for :		
Depreciation	1,620.61	1,358.63
Profit/Loss on Sale of Asset/Impairment of Assets	1.43	(15.12)
Interest Income	(21.74)	(2.87)
Dividend income	(15.18)	(13.99)
Financial Expenses	6,404.85	7,989.97
Operating cash profit before working capital changes	9,955.98	8,321.90
Adjustments for :		
Decrease / (Increase) in Trade Receivables	2,159.06	(8,657.10)
Decrease / (Increase) in inventories	(208.40)	(11,832.55)
Decrease / (Increase) in Loans & Advances	859.15	(205.24)
(Decrease) / Increase in current liabilities	263.10	3,072.91
Cash generated from operations	13,028.89	(7,788.02)
Less : Taxes Paid	-	-
Less : Taxes Paid of Pervious year	15.6	18.6
Net cash flow from operating activities (A)	13,013.20	(7,806.65)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of fixed assets	(3,673.51)	(4,740.40)
Investment in shares	(150.00)	(353.55)
Proceeds from Transfer of asset	-	-
Proceeds from sale of asset	6.56	60.39
Interest received	21.74	2.87
Dividend received	15.18	13.99
	(3,780.04)	(5,016.71)
Net cash flow from investing activities (B)	(3,780.04)	(5,016.71)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Issuance of Equity Share Capital	-	-
Proceeds from long-term borrowings (Net)	458.64	3,450.72
Proceeds from short-term borrowings (Net)	(2,502.57)	15,331.56
Repayment of Preference Share Capital	-	-
Financial Expenses	(6,404.85)	(5,969.83)
Dividend and Dividend Tax of Previous Year	-	(8,448.78)
		12,812.45
Net cash used in financing activities (C)	(8,448.78)	12,812.45
Cash flow from Investing & Financing Activities (B+C) (D)	(12,228.82)	7,795.74
Net increase / (decrease) in cash and cash equivalents (A-D)	784.37	(10.91)
Add: Cash and cash equivalents at the beginning of the year	1,647.46	1,658.37
Cash and cash equivalents at the close of the year	2,431.84	1,647.46

Place:Siddapur

Date : 19-06-2023

For SHRI PRABHULINGESHWAR SUGARS & CHEMICALS LIMITED.,

Place: Siddapur

Date :22-08-2023

"As per Our Report of Even Date attached"

**For MAHENDRA H & CO.,
FRN- 021745S
CHARTERED ACCOUNTANTS,**

J. S. Gudagunti
Chairman & Managing Director
DIN 00464873

V. J. Gudagunti
Executive Director & CFO
DIN 07578798

N. G. Sanadi
Director
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S P Hiremath
Independent Director
DIN 02112813

M.M.Hiremath
GM (F&A)

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

**(MAHENDRA B. H.)
PROPRIETOR
(M.No.224944)**

UDIN:23224944BGTGHO3101

NOTE 1**Share Capital***(Amount in Lakhs.)*

Particulars	As at 31 March 2023	As at 31 March 2022
Authorized		
5,00,00,000 Equity Shares of Rs.10/- each	5,000.00	5,000.00
1,00,00,000, 13% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	1,000.00	1,000.00
Total	6,000.00	6,000.00
Issued, Subscribed & Paid up		
4,66,18,595 Equity Shares of Rs.10/- each fully paid-up	4,661.86	4,661.86
Nil, 13% Non-cumulative Redeemable Preference Shares of Rs.10/- each fully paid-up	-	-
Total	4,661.86	4,661.86

Particulars	Equity Shares			
	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,66,18,595.00	4,661.86	4,66,18,595	4,661.86
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	4,66,18,595.00	4,661.86	4,66,18,595	4,661.86

Terms/rights attached to equity shares.

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

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

Sl. No	Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Shri Jagadeesh S Gudagunti (Individual)	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

Details of Shares held by Promoters at the year ended 31st March, 2023

Particulars	As at 31 March 2023			As at 31 March 2022		
	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	-

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Capital Redemption Reserve		
Opening Balance	235.98	235.98
(+) Current Year Transfer	-	-
Closing Balance	235.98	235.98
(b) Revaluation Reserve		
Opening Balance	31,935.82	33,135.97
(+) Current Year Transfer (Revaluation Reserve)	-	-
(-) Depreciation on Revaluation of Assets	1,200.14	1,200.14
Closing Balance	30,735.68	31,935.82
(c) Surplus		
Opening balance	265.42	(745.94)
(+) Net Profit / (Loss) for the year	1,728.36	1,011.36
Closing Balance	1,993.78	265.42
Total	32,965.44	32,437.22

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

Particulars	As at 31 March 2023	As at 31 March 2022
Term loans - Secured		
(a) From Banks	5,159.60	4,700.97
(b) From other Parties	14,000.00	14,000.00
Total	19,159.60	18,700.97

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 Feb- 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 Feb- 2024. Rate of interest (floating) 13.50% Per Annum.
3	Term Loan from Bagalkot District Central Co-operative Bank Limited, Belgaum, 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 Central 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 Central Co-operative Bank Limited, Belgaum, 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 Central 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 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 2nd pari passu charge on plant & machinery and land & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly installments, installment 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 2nd pari passu charge on plant & machinery and land & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly installments, installment 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 2nd pari passu charge on plant & machinery and land & building of the company & personal guarantee of directors.	Repayable in 8 years in 32 quarterly installments, installment 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 2023	As at 31 March 2022
(a) Deferred Tax Liability on account of		
i) Depreciation	3,039.59	3,589.33
(b) Deferred Tax Asset on account of		
i) Unabsorbed depreciation	1,570.65	2,041.90
ii) Provisions and expenses disallowable under Income Tax Act but allowable on payment basis	41.21	13.84
Total	1,611.86	2,055.74
Deferred Tax Liability Net (a-b)	1,427.73	1,533.59

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

Particulars	As at 31 March 2023	As at 31 March 2022
(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 2023	As at 31 March 2022
(a) Provision for Employee Benefits		
(i) Gratuity	785.67	690.62
(ii) Leave Encashment	302.85	276.23
Total	1,088.53	966.85

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Secured		
(i) Working Capital Loans from Banks	26,249.82	28,133.83
(ii) Working Capital Loans from Other Parties	11,000.00	11,000.00
(iii) Current maturities of long - term borrowings	2,665.04	2,283.61
Total	39,914.86	41,417.43
(b) Unsecured		
From other parties	-	1,000.00
Total	-	1,000.00
Total (a+b)	39,914.86	42,417.43

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Micro, Small and Medium Enterprises (MSME)	9.04	69.20
(b) Others	27,879.12	27,156.64
Total	27,888.16	27,225.83

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) MSME	9.04	-	-	-	9.04
(ii) Others	27,789.28	18.88	37.76	33.20	27,879.12
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	27,798.32	18.88	37.76	33.20	27,888.16

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Interest accrued but not due on borrowings	216.16	117.00
(b) Duties & Taxes Payable	859.80	1,098.42
(c) Advance Received from Costumers	69.11	339.13
(d) Others	114.76	109.50
Total	1,259.82	1,664.06

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Provision for Employee Benefits		
Salary & Reimbursements	147.96	144.15
Contribution to PF	26.44	33.47
Gratuity	86.06	52.57
Leave Encashment	49.44	22.28
Bonus , Ex-Gratia & Insurance	218.23	192.37
(b) Provision for Current Tax		
Current Tax	258.17	130.32
Total	786.29	575.15

**Shri Prabhulingeshwar Sugars And Chemicals
Limited.,Siddapur**

Note 11
Property, Plant and Equipment and Intangible
assets

(Amt in lakhs.)

Sl. No.	Particulars	Gross Block					Depreciation					Net Block	
		As at 31.3.2022	Revaluation	Additions	Deletions	As at 31.03.2023	Up to 31.3.2022	Deletions	for revaluation	for the year	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
(a)	Property, Plant and Equipment												
1	Land	576.77	3520.91	0.00	0.00	4097.68	0.00	0.00	0.00	0.00	0.00	4097.68	4097.68
2	Factory Buildings	2159.99	604.40	0.00	0.00	2764.39	1081.47	0.00	19.14	67.11	1167.72	1596.68	1682.93
3	Other Buildings	3271.23400	445.47	31.99		3748.70	1317.02	0.00	14.11	121.38	1452.52	2296.18	2399.68
4	Temporary Sheds	30.70	0.00	0.00	0.00	30.70	30.70	0.00	0.00	0.00	30.70	0.00	0.00
5	Plant & Machinery	41618.55468	30707.78	3184.11	9.00	75501.45	21148.00	1.51	1166.90	1344.32	23657.69	51843.76	51178.34
6	Vehicles	388.01		25.25	0.00	413.26	275.65		0.00	23.61	299.25	114.01	112.37
7	Tractors	496.62	0.00	1.30	1.15	496.77	190.73	0.65	0.00	49.16	239.24	257.53	305.89
8	Cane Harvesting Machine	625.41	0.00	0.00	0.00	625.41	594.14	0.00	0.00	0.00	594.14	31.27	31.27
9	Furniture & Fixtures	133.38	0.00	6.36	0.00	139.74	87.05	0.00	0.00	9.23	96.29	43.45	46.33
10	Office Equipment's	129.09	0.00	21.27	0.00	150.36	124.10	0.00	0.00	1.04	125.14	25.22	4.99
11	Data Processing Machines	157.33	0.00	25.53	0.00	182.85	150.16	0.00	0.00	4.76	154.92	27.93	7.16
	Total	49587.09	35278.57	3295.81	10.15	88151.32	24999.03	2.16	1200.14	1620.61	27817.62	60333.71	59866.63
(b)	Capital Work in Progress	385.10	0.00	3561.81	3184.11	762.80						762.80	385.10
	Total	385.10		3561.81	3184.11	762.80						762.80	385.10

Capital Work in Progress Ageing Schedule

Particular	As at 31 March,2023					Total	As at 31 March,2022					Total
	Amount CWIP for a period of						Amount CWIP for a period of					
	Less than 1 year	1-2 years	2-3 Years	More than 3 Years			Less than 1 year	1-2 years	2-3 Years	More than 3 Years		
Projects in Progress	762.80	0.00	0.00	0.00	762.80	385.10	0.00	0.00	0.00	385.10		

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

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Other Investments		
Unquoted (Valued at cost)		
In Equity shares of		
(a) Co - Operative Banks	544.07	394.07
(b) Shri Prabhulingeshwar Souharda Pattina Sahakari Sangh Niyamita - Jamkhandi	0.10	0.10
Total	544.17	394.17

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

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits	72.42	73.44
Total	72.42	73.44

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

Particulars	As at 31 March 2023	As at 31 March 2022
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 2023	As at 31 March 2022
(a) Work-In-Progress	1,000.20	1,227.18
(b) Finished Goods	40,658.11	40,823.68
(c) Stores and Spares	2,784.73	2,182.75
(d) Chemicals	113.27	114.30
Total	44,556.31	44,347.90

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

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured and considered good	14,577.03	16,736.09
Total	14,577.03	16,736.09

(Amount in Lakhs.)

Particulars	Outstanding for following periods from due date of Receipts					Total
	Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	13,598.96	6.17	393.56	259.85	318.49	14,577.03
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	13,598.96	6.17	393.56	259.85	318.49	14,577.03

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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash and Cash Equivalents		
(i) Balances with banks	2,430.11	1,646.04
(ii) Cash on hand	1.72	1.42
Total	2,431.84	1,647.46

NOTE 18**Short-Term Loans And Advances***(Amount in Lakhs.)*

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	6,774.35	7,634.28
Total	6,774.35	7,634.28

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

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Revenue Authorities	457.91	456.11
Total	457.91	456.11

NOTE 20

Revenue from Operations

(Amount in Lakhs.)

Particulars	31 March 2023	31 March 2022
a) Sale of Products	84,783.16	63,222.06
b) Other Operating Revenues	0.00	533.04
Revenue from Operations	84,783.16	63,755.10

Details of Sale of Products & Other Operating Revenues

Particulars	31 March 2023	31 March 2022
a) Sale of Products		
Sugar Domestic	48,004.54	28,750.11
Sugar Export (Export through third party)	9,567.84	13,155.96
Power	4,133.86	3,292.75
Steam	0.00	112.08
Molasses	12,103.70	12,443.88
Syrup	9,367.48	4,941.73
Press Mud	175.74	183.61
Bagasse	1,430.00	341.93
Total A	84,783.16	63,222.06
b) Other Operating Revenues		
Export Subsidy by Central Government (MAEQ)	0.00	533.04
Total B	0.00	533.04
Total A+B	84,783.16	63,755.10

NOTE 21

Other income

(Amount in

Lakhs.)

Particulars	31 March 2023	31 March 2022
Interest Income	21.74	2.87
Dividend Income	15.18	13.99
Insurance Claim Received	0.00	1.48
Other non-operating income	204.04	160.83
Total	240.96	179.17

NOTE 22

Cost of Materials Consumed

(Amount in Lakhs.)

Particulars	31 March 2023	31 March 2022
Raw Material		
Opening Stock	114.30	85.74
Add: Purchases	66,661.32	61,133.33
	66,775.61	61,219.07
Less: Closing Stock	113.27	114.30
Total	66,662.35	61,104.78

Particulars	31 March 2023	31 March 2022
Details of Raw Material Consumed		
Sugar Cane	65,784.46	60,198.73
Chemicals	877.89	906.04
Total	66,662.35	61,104.78

NOTE 23

Changes in Inventories of Finished goods, Work-in-progress

(Amount in Lakhs.)

Particulars	31 March 2023	31 March 2022
Opening Stock		
Finished Goods and by-products	40,823.68	30,162.08
Work In Process	1,227.18	0.00
Less : Closing Stock		
Finished Goods and by-products	40,658.11	40,823.68
Work In Process	1,000.20	1,227.18
Total	392.55	(11,888.77)

NOTE 24

Employee Benefits Expense

(Amount in Lakhs.)

Particulars	31 March 2023	31 March 2022
Salaries and incentives	2,073.12	2,208.07
Employer's Contribution to Provident Fund	162.63	159.23
Gratuity	246.35	33.81
Leave encashment	90.98	7.66
Employee Deposit Linked Insurance	6.78	6.71
Staff welfare expenses	27.50	18.55
Total	2,607.35	2,434.03

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

Particulars	31 March 2023	31 March 2022
Interest	6,207.17	5,808.77
Bank Charges	197.67	161.06
Total	6,404.85	5,969.83

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

Sl. No	Particulars	31 March 2023	31 March 2022
1	Fuel, Oil & Lubricants	219.29	674.63
2	Spares	1,459.67	625.08
3	Packing Materials	821.63	810.80
4	Bagasse Handling Expenses	19.58	13.25
5	Repairs & Maintenance of Machinery	265.06	131.14
6	Factory Maintenance - Other Assets	443.44	323.38
7	Sugar Bagging Expenses	119.06	107.79
8	Other Manufacturing Expenses	33.24	6.31
9	Directors Remuneration	120.00	95.50
10	Travelling Expenses - Directors	12.98	7.47
11	Directors Sitting Fees	17.60	15.25
12	Legal, Consultancy , Professional Charges&Brokerage/ Commission	77.56	78.85
13	Postage, Telegram & Telephone Charges	11.09	9.73
14	Printing & Stationery	1.75	0.80
15	Rent, Rates, Taxes, Electricity, Insurance, Collateral Management Charges, PF Administration Charges & Power Import Charges	1,131.13	685.70
16	Repairs and Maintenance - Buildings & Others	147.00	64.03
17	Travelling, Conveyance, Flood Aid & Honorarium Expenses	71.18	45.57
18	Auditors Remuneration		
	a)Audit Fees	7.00	5.00
	b)Tax & GST Audit	1.00	1.00
	c)For Reimbursement of Expenses	0.00	0.28
19	Selling & Distribution Expenses & Business Promotion	64.44	10.38
20	Miscellaneous Expenses	239.80	215.01
21	Bad debts & Advance Written off	86.84	3.39
22	Loss on Sale of Assets	0.08	0.00
	Total	5,370.41	3,930.35

Note 27 Financial

Ratios

Sl. No.	Particulars	Numerator	Denominator	FY 2022-23	FY 2021-22	Change	Explanation where the change is more than 25%
				Ratio	Ratio		
1	Current Ratio	Current Assets	Current Liabilities	99.21%	99.22%	0.01%	
2	Debt-Equity Ratio	Long Term Borrowings + Short Term Borrowings	Equity Share Capital + Accumulated Profits	8.88	12.40	28.44%	Reduced short term borrowings coupled with improved profitability
3	Debt Service Coverage Ratio	PAT + Depreciation + Finance Cost	Finance Cost + Current Maturities of Long Term Borrowings (of Previous Financial Year)	1.08	1.01	-6.43%	
4	Return On Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	29.84%	22.87%	-30.47%	Improved profitability at the similar level of equity
5	Inventory Turnover Ratio (Days)	Average Inventory	Revenue from Operations	191.37	220.02	13.02%	
6	Trade Receivable Turnover Ratio (Days)	Average Trade Receivables	Total Income	67.21	140.59	52.19%	Increase in molasses contribution to top line which is sold on credit basis compared to sugar
7	Trade Payable Turnover Ratio (Days)	Average Trade Payables	Cost Of Raw Materials Consumed	150.88	146.01	-3.34%	
8	Net Capital Turnover Ratio	Total Income	Working Capital	-154.55	-114.36	-35.15%	Improvement in net working capital on account of improved profitability
9	Net Profit Ratio	Net Profit	Total Income	2.03%	1.58%	-28.51%	Economies of Scale - Increased sales at the same level of fixed overheads
10	Return On Capital Employed	Profit Before Interest And Taxes	Average Capital Employed (Average of Opening and Closing of Equity Share Capital, Accumulated Profits and Long Term Borrowings)	33.86%	32.69%	-3.57%	
11	Return On Investment	Dividend Received From Shares In Co-Operative Banks	Time Weighted Average Investments	1.56%	2.30%	32.10%	Higher dividend received compared to previous year

28. **Related Party Disclosures:**

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 Personnel

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

(ii) Information relating to related party transactions for the year ending 31st March 2023

(Amount in Lakhs.)

Particular			2022-23	2021-22
Shri J S Gudagunti	Chairman & Managing Director	Purchase of SugarCane	5.70	1.57
Shri V J Gudagunti	Executive Director	Service Received	9.32	5.84
Shri V J Gudagunti	Executive Director	Purchase of SugarCane	65.63	95.79
Shri V J Gudagunti	Executive Director	Purchase of CaneSeeds	0.80	7.23
Shri D J Gudagunti	Director	Purchase of SugarCane	13.39	76.05
Shri D J Gudagunti	Director	Purchase of CaneSeeds, Seedlings	73.24	53.05
Shri D J Gudagunti	Director	Service Received	6.51	9.36
Shri J S Gudagunti	Chairman & Managing Director	Remuneration	65.00	48.60
Shri V J Gudagunti	Executive Director	Remuneration	65.00	52.40

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

(Amount in Lakhs.)

Description	Siddapur Distilleries Ltd.	
	2022-23	2021-22
Purchase of goods	0	23.19
Sale of goods	25744.03	22,503.31
Rendering of Services	1.77	1.77
Receiving of Services	2.12	2.12
Unsecured Loan	0	1,000.00
Amount Outstanding (Due to the Company)	13547.38	15,744.91
Amount Outstanding (Due by the Company)	6.19	4.07

29. List of Micro, Small and Medium Enterprises to whom the Company has payments due, have been identified from available information as at 31st March, 2023:

- i) Godavari Enterprises - Solapur
- ii) Kolar Chemical Works - Banahatti
- iii) Nichrome Testing Laboratory & Research Pvt Ltd - Dharwad
- iv) Soham Industrial Insulation - Kolapur

30. The balance of few of the receivable and payable, Loans and advances are subject to reconciliation and confirmations and consequential expenses/incomes.

31. Figures have been rounded off to nearest rupee value.

32. Segment Revenue & Profit for the year ended 31st March 2023

(Amount in Lakhs.)

Particulars	Sugar	Power	Molasses	Syrup	Unallocated	Total
<u>REVENUE</u>						
External sales	57,572.38	4,133.86	12,103.70	9,367.48	1,605.74	84,783.16
Inter-segment Sales						
Total Revenue	57,572.38	4,133.86	12,103.70	9,367.48	1,605.74	84,783.16
<u>Other Non-Operating Income</u>						
Other Income	163.62	11.75	34.40	26.62	4.56	240.96
Total Other Non-Operating Income	163.62	11.75	34.40	26.62	4.56	240.96
Total Revenue	57,736.00	4,145.61	12,138.10	9,394.10	1,610.30	85,024.11
<u>Segment Profit</u>						
Operating Profit Before Interest	5,684.27	408.15	1,195.03	924.87	158.54	8,370.86
Unallocated corporate expenses						
Unallocated corporate income						
Operating Profit						
Interest Expenses					6,405	6,404.85
Dividend income						
Profit from ordinary activities						
Provision for Current Tax					344	343.50
Deferred Tax (Net)					(106)	- 105.85
Prior period items						
Net Profit						1,728.36
<u>OTHER INFORMATION</u>						
Segment Assets	98,190.59	2,106.81	8,972.69	7,544.25		1,16,814.35
Unallocated corporate assets	-					
Total Assets	-					
Segment Liabilities	27,920.51	3,102.28				31,022.79
Unallocated corporate Liabilities	-					
Capital Expenditure	2,849.81	712.00				3,561.81
Unallocated corporate Capital Expenditure	-					
Total Capital Expenditure	-					
Depreciation						

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

a) Corporate Information :

Shri Prabhulingeshwar Sugars and Chemicals Limited ("SPSCL" or "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, Taluk J 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 press mud, 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 these financial statement Annexure-I.

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 at the 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 loss 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 actuarial

valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(vi) Provisions, Contingent liabilities and Contingent assets:

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

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

For Shri Prabhulingeshwar
Sugarsand Chemicals
Limited

As per our report of even date attached
For MAHENDRA H & CO.,
Chartered Accountants
FRN - 021745S

JAGADEESH GUDAGUNTI
CHAIRMAN & MANAGING
EXECUTIVE DIRECTOR
DIN 00464873

V. J. GUDAGUNTI & CFO
DIRECTOR
DIN 07578798

(MAHENDRA B. H.)
Proprietor
(M.No. 224944)

N. G. Sanadi Director
DIN 00666766

S P Hiremath
Independent Director
DIN 02112813

M M Hiremath
GM (F&A)

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

Place: Siddapur
Date: 22/08/2023

ANNEXUR
E -I

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(Annexed to and forming part of the financial statements for the year ended 31st March, 2023)

(I) ACCOUNTING POLICIES:

1. Basis of Accounting:

- a. The Financial Statements have been prepared based on historical cost convention and accrual basis of accounting and are in conformity with the Accounting Standards notified under the Companies Act, 2013 (“the Act”) read with General Circular No.15/2013 dated 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 value added GST tax, 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 hereinbelow.

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 & Amortization:

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

Depreciation on Tangible Fixed Assets has been provided on the 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.

10. 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.316.61 Lakhs was capitalized as per AS-16.

11. 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.

12. 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.

13. 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.

14. 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.

Form No. SH-14

Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:

vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

i. Date of Birth:

ii. Date of attaining majority

iii. Name of guardian:

iv. Address of guardian:

Signature

Name of the Security

Holder (s)

Witness with name and address

Form No. SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company:

Address of the company:

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name:

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth:

(b) Date of attaining majority

(c) Name of guardian:

(d) Address of guardian:

Name:

Address:

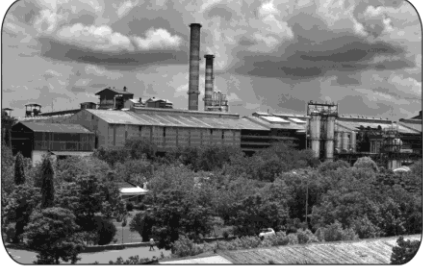
Name of the Security

Holder (s)

Signature

Witness with
name and address

ROUTE MAP



ಸಿದ್ದಾಪೂರ
ಗ್ರಾಮ

ತಿರೋಳ
ಗ್ರಾಮ

SPSCL FACTORY ROAD

SPSCL FACTORY ROAD

SH-34

ಜಮಖಂಡಿಗೆ ಹೋಗುವ ದಾರಿ

Towards Jamakhandi

ಮುಧೋಳಕ್ಕೆ ಹೋಗುವ ದಾರಿ

Towards Mudhol

