



November 14, 2025

BSE Limited

Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda bldg., P.J. Towers,
Dalal Street, Mumbai- 400001
Scrip Code: 543267

National Stock Exchange of India

Corporate Service
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai -400051
NSE Symbol: DAVANGERE

Subject: Submission of Monitoring Agency Report for the quarter ended 30th September 2025.

Dear Sir/Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 82(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed the Monitoring Agency Report for the quarter ended 30th September, 2025 issued by CARE Ratings Limited in respect of utilisation of funds raised through Rights Issue of equity shares made by the Company vide its Letter of Offer dated August 04, 2025.

This intimation along with the Monitoring Agency Report is also being uploaded on the Company's website: <https://davangeresugar.com/>

Kindly acknowledge and take the same on record.

Thanking You,
For Davangere Sugar Company Limited

Uma Singh
Company Secretary and Compliance Officer
Membership No. A67187

Encl. as above

Factory & Admin Office: Kukkuwada – 577 525. Davangere Taluk & District. Karnataka State. INDIA
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email : davangeresugars@gmail.com, accounts@ davangeresugars@gmail.com,
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Website : www.davangeresugars.com
Regd. Office : 73/1,P.B.No. 312, Shamanuru Road, Davangere – 577 004. Karnataka State. INDIA
Corporate Office : No. 19, Shivashankar Plaza, 3rd Floor, Richmond Circle, Lalbagh Road, Bangalore – 560 027, Karnataka State.
INDIA
Phone : 080-22272183 Fax : 080-22222779

No. CARE/BRO/GEN/2025-26/1020

The Board of Directors

Davangere Sugar Company Limited

73/1, POST BOX NO.312, SHAMANUR ROAD
DAVANGERE., SHAMANUR ROAD,
DAVANGERE., Karnataka, India, 577004

November 13, 2025

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2025 - in relation to the Rights Issue of Equity Shares of Davangere Sugar Company Limited ("the Company")

We write in our capacity of Monitoring Agency for the Rights Issue of 48,91,46,178 for the amount aggregating to Rs. 149.19 crore of the Company and refer to our duties cast under 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 01, 2025.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



Himanshu Jain

Associate Director

Himanshu.Jain@careedge.in

Report of the Monitoring Agency

Name of the issuer: Davangere Sugar Company Limited

For quarter ended: September 30, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Company has kept unutilized Rights Issue amount of Rs. 0.01 crore in current account of Davangere Harihar Urban Co-operative Bank Ltd's. This is against the requirement of funds to be kept in scheduled commercial bank included in the second schedule of the RBI Act, as per Letter of Offer.

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

A handwritten signature in blue ink, appearing to read "Himanshu Jain", with a stylized flourish at the end.

Signature:

Name and designation of the Authorized Signatory: Himanshu Jain

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Davangere Sugar Company Limited
 Name of the promoter : Ganesh S S, Abhijith Ganesh Shamanur, Rekha Ganesh, Anchal Ganesh Shamanur, S S Mallikarjun, Shamanur Shivashankarappa, Mafatlal Plywood Industries Private limited, Indian Cane Power Limited, S B Murugesh.
 Industry/sector to which it belongs : Fast Moving Consumer Goods (Agricultural Food & other Products)

2) Issue Details

Issue Period : August 14, 2025, to August 29, 2025
 Type of issue (public/rights) : Rights Issue
 Type of specified securities : Equity Shares
 IPO Grading, if any : Not Applicable
 Issue size (in crore) : Rs. 149.19 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered accountant certificate Management certificate Rights issue letter of offer, Board of Directors meeting minutes held on September 05, 2025.	The company has utilized the proceeds allocated for General Corporate Purposes (GCP) towards the repayment of bank borrowings and repayment of unsecured loans extended by the promoter. These specific utilizations were not explicitly mentioned in the Letter of Offer. However, as per Letter of offer, Company's Board or a duly constituted committee thereof can utilize the funds towards order opportunities as considered expedient. Accordingly, the company obtained approval from the board of directors on September 05, 2025, for deploying the GCP funds for the aforementioned purposes.	The Board, vide its resolution dated September 05, 2025, has specifically authorized the utilization of proceeds allocated for General Corporate Purposes towards repayment of bank borrowings and unsecured loans from promoters. The Board resolution specifically empowers the utilization of GCP funds for "Repayment in full or part of any other existing Term Loan, Short term loans or working capital loans" and "Repayment or prepayment of unsecured loans of the Managing Director". This authorization is in accordance with the Letter of Offer which permits the Board to utilize funds towards opportunities as considered expedient. The Board confirms that such utilization is within the permissible scope of General Corporate Purposes as defined in the Letter of Offer.

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Chartered accountant certificate Management certificate Rights issue letter of offer	None	Not Applicable
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	Chartered accountant certificate Management certificate Rights issue letter of offer, Board of directors meeting minutes dated September 05, 2025	As against the gross proceeds of Rs. 149.21 crore mentioned in Letter of offer, company has raised Rs. 149.19 crore. While the company raised Rs. 150.8 crore but due to technical issues as well as certain cancellation of shares, final amount raised stood at Rs. 149.19 crore. Differential amount of Rs. 0.02 crore was adjusted against GCP as per resolution passed by Board of Directors.	The Board, vide its resolution dated September 05, 2025, has noted and approved the adjustment of the shortfall amount of Rs. 0.02 crore against the General Corporate Purposes component. The Board has confirmed that the revised allocation maintains compliance with SEBI ICDR Regulations, particularly ensuring that the amount utilized towards General Corporate Purposes does not exceed 25% of the Gross Proceeds. The allocations towards Repayment of Borrowings (Rs. 67.50 crore) and Adjustment of Unsecured Loans (Rs. 44.25 crore) remain unchanged.
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	This is the first monitoring agency report	Not applicable
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Management certificate	The company has all required approvals in place.	The Board confirms that all necessary statutory and regulatory approvals have been obtained for the Rights Issue and utilization of proceeds.
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Management Certificate	No technical assistance/collaboration is required as rights issue proceeds is for the repayment of loans	Not applicable
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management certificate	None	None
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Bank statements, Management certificate, Letter of Offer	Company has kept unutilized Rights Issue amount of Rs. 0.01 crore in current account of Davangere Harihar Urban Co-operative Bank Ltd's. This is against the requirement of funds to be kept in scheduled commercial bank included in the second schedule of the RBI Act, as per Letter of Offer.	The Board acknowledges that Rs. 0.01 crore of unutilized Rights Issue proceeds is currently held in the current account of Davangere Harihar Urban Co-operative Bank Ltd., which is not a scheduled commercial bank. The Bank has adjusted the amount to loan on 06.10.2025 and hence already utilized to clear the entire loan of Rs.2.00 crores. Hence the amount is already utilized.

* Chartered Accountant certificate from M/s DGMS & Co., dated November 05, 2025.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Repayment or prepayment, in full or in part, of all or a portion of certain borrowing availed by our Company	Chartered accountant certificate Management Certificate Rights Issue letter of Offer	67.50	67.50	None	Not Applicable	Not Applicable	Not Applicable
2	Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters	Chartered accountant certificate Management Certificate Rights Issue letter of Offer	44.25	44.25	None	Not Applicable	Not Applicable	Not Applicable
3	General Corporate Purposes	Chartered accountant certificate Management Certificate Rights Issue letter of Offer, Board of Directors minutes of meeting held on September 05, 2025.	35.21	35.19	As per management, company received ₹0.02 crore less than the estimated subscription amount due to undersubscription. This shortfall has been adjusted against the General Corporate Purposes (GCP) component, in accordance with the resolution passed by Board of Directors.	Undersubscription of the Rights Issue resulting in actual proceeds of Rs. 149.19 crore against the envisaged Rs. 149.21 crore.	Not Applicable	The Board, vide resolution dated September 05, 2025, has approved the adjustment of the Rs. 0.02 crore shortfall against GCP allocation, revising it from Rs. 35.21 crore to Rs. 35.19 crore.
4	Issue Expenses	Chartered accountant certificate Management Certificate Rights Issue letter of Offer	2.25	2.25	None	Not Applicable	Not Applicable	Not Applicable
Total			149.21	149.19				

* Chartered Accountant certificate from M/s DGMS & Co., dated November 05, 2025.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount received by the company post under subscription in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Repayment or prepayment, in full or in part, of all or a portion of certain borrowing availed by our Company	Chartered accountant certificate* Management Certificate Rights Issue letter of Offer, Bank statements Board of directors meeting minutes dated September 05, 2025	67.50	67.50	-	66.99	66.99	0.51	Company has used the proceeds to repay the debt of Davangere Harihar Urban Co-operative Bank and Davangere District Central Co-operative Bank Ltd, as mentioned in Letter of Offer. Further, for the repayment of loan of Davangere Harihar Urban Co-operative Bank Ltd, company transferred Rs. 2 crore from monitoring account to its current account. While Rs. 1.99 crore was used for debt repayment, balance Rs. 0.01 crore lies in the current account as on September 30, 2025.	The unutilized amount of Rs. 0.51 crore comprises Rs. 0.50 crore held in the monitoring account for loan repayments as stated in the letter of offer and Rs. 0.01 crore temporarily held in the cooperative bank current account due to pending clearance from the Banks for loan closure.	The Company has utilised the amount of Rs. 0.50 Crores for the loan repayment of DDCC Bank Ltd on 21.10.2025 and the remaining amount of Rs. 0.01 Crore is used for clearing of the balance loan of DHUC Bank on 06.10.2025
2	Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters	Chartered accountant certificate* Management Certificate Rights Issue letter of Offer	44.25	44.25	-	44.25	44.25	-	As stated in the Rights Issue Letter of Offer, the Company will not receive any fresh proceeds amounting to ₹44.25 crore. The shares under the Rights Issue will be allotted against consideration already received by the Company in the past in	Not Applicable	Not Applicable

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount received by the company post under subscription in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
									the form of an unsecured loan		
3	General Purposes Corporate	Chartered accountant certificate* Management Certificate Rights Issue letter of Offer Board of directors meeting minutes dated September 05, 2025	35.21	35.19	-	32.70	32.70	2.49	Amount has been utilized towards unsecured loan repayment, repayment of Harvesting & transportation loan, purchase of raw material etc.	The unutilized amount of Rs. 2.49 crore is being retained for ongoing working capital requirements, raw material purchases, and other operational expenses as envisaged under General Corporate Purposes in the Letter of Offer and in accordance with the Board Resolution dated 5 th September, 2025	The Company has utilized the balance funds towards the meeting of the working capital requirements, raw material purchase, other operational expenses, other business requirements in the month of October 2025.
4	Issue expense	Chartered accountant certificate* Management Certificate Rights Issue letter of Offer	2.25	2.25	-	1.90	1.90	0.35	Re-imbursement of Rights Issue Expenses paid earlier from company own funds amounting to Rs. 1.33 crore and remaining Rs. 0.57 crore is the issue	Estimation was higher than the actual expenditure.	The Company has utilised the balance amount for working capital purpose in October 2025.

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount received by the company post under subscription in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
									expenses incurred during Q2FY26.		
Total			149.21	149.19	-	145.84	145.85	3.35			

* Chartered Accountant certificate from M/s DGMS & Co., dated November 05, 2025.

Resolution passed by the Board of Directors on September 05, 2025.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning (Rs. Crore)	Return on Investment (%)	Market Value as at the end of quarter (Rs. Crore)
1.	Monitoring Agency Account	3.34	-	-	-	3.34
2.	Davangere Harihar Urban Co-operative Bank Ltd Current Account	0.01	-	-	-	0.01
	Total	3.35		-		3.35

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual*		Reason of delay	Proposed course of action
Repayment or prepayment, in full or in part, of all or a portion of certain borrowing availed by our Company	2025-26	Ongoing	-	Pending clearance from the Banks for closure of loans	Entire amount is utilized by 31.10.2025
Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters	2025-26	Completed as on Sep 30, 2025	-	Not Applicable	Not Applicable
General Corporate Purposes	2025-26	Ongoing	-	Procurement of raw materials from the Market. Submission of Invoices delayed from the suppliers of goods and services	Entire amount is utilized by 31.10.2025

*In case of continuing object(s), Please specify latest/ Revised estimate of the completion date

The above details were verified from the Information shared by Davangere Sugar Company Limited, rights issue letter of offer and Chartered Accountant certificate from M/s DGMS & Co., dated November 05, 2025

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Part repayment of Davangere District Central Co-operative Bank Ltd, - Harvesting & Transportation Loan.	2.50	Chartered Accountant certificate Management Certificate, Board of directors meeting minutes dated September 05, 2025.	Board of directors passed a resolution on September 5, 2025, approving the utilization of proceeds earmarked for GCP towards the repayment of borrowings.	The Board confirms that the proceeds for GCP towards the repayment of borrowings have been undertaken in accordance with the Board resolution dated September 05, 2025, and are within the scope of permitted uses as disclosed in the Letter of Offer.
2	Repayment of Unsecured Loans from the Managing Director	16.51	Chartered Accountant certificate Management Certificate, Board of directors meeting minutes dated September 05, 2025.	Board of directors passed a resolution on September 5, 2025, approving the utilization, approving the utilization of proceeds earmarked for GCP towards the repayment of unsecured loans.	The Board confirms the use of GCP proceeds for repaying Unsecured Loans to the Managing Director aligns with the September 5, 2025, Board resolution and permitted uses in the Letter of Offer.
3	Purchase of Maize- Raw-material for Ethanol Production	9.85	Chartered Accountant certificate Management Certificate	None	The Board confirms that the use of GCP proceeds for Purchase of Maize- Raw-material for Ethanol Production is in line with the Board resolution dated September 5, 2025, and permitted uses disclosed in the Letter of Offer
4	Transfer to Davangere District Central Co-operative Bank Current for working capital usage	0.17	Chartered Accountant certificate Management Certificate	Board of directors passed a resolution on September 5, 2025, approving the utilization, approving the utilization of proceeds earmarked for GCP towards the payment of interest on loan	The Board confirms that the use of GCP towards the payment of interest on loan is in line with the Board resolution dated September 5, 2025, and permitted uses disclosed in the Letter of Offer.
5	Transfer to Cash Credit Account for working capital usage purpose	3.67	Chartered Accountant certificate Management Certificate	None	None
	Total	32.70			

* Chartered Accountant certificate from M/s DGMS & Co., dated November 05, 2025.

^ Section from the offer document related to GCP:

"Our Company proposes to deploy the balance of the net proceeds aggregating ₹ 3,521.80 towards general corporate purposes and such utilization shall not exceed 25% of the gross proceeds, in compliance with SEBI ICDR Regulations. The general corporate purposes for which we propose to utilize the net proceeds include meeting day to day expenses, including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses for growing the business of the Company and meeting any other exigencies or other opportunities as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the provisions of the Companies Act."

The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head 'General Corporate Purposes' and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.