



February 11, 2026

**BSE Limited**

Corporate Relationship Department  
1<sup>st</sup> 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 December 31, 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 December 31, 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.

The proceeds from the said Rights Issue have been fully utilized for the objects as stated in the Letter of Offer dated August 04, 2025. There has been no deviation or variation in the utilization of funds.

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

**No. CARE/BRO/GEN/2025-26/1032**

**The Board of Directors**  
**Davangere Sugar Company Limited**  
73/1, POST BOX NO.312, SHAMANUR ROAD  
DAVANGERE., SHAMANUR ROAD,  
DAVANGERE., Karnataka, India, 577004

February 10, 2026

Dear Sir,

**Monitoring Agency Report for the quarter ended December 31, 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 December 31, 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: December 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: None

(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.

Signature:

A handwritten signature in blue ink that reads "Himanshu Jain".

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- Diversified FMCG

**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	Management certificate Rights issue letter of offer, Board of Directors meeting minutes held on September 05, 2025, Board resolution dated November 13, 2025	The Company utilized the unutilized issue expense amount of Rs. 0.35 crore as of September 30, 2025, towards working capital requirements in October 2025. This utilization was post facto approved by the Board through a resolution passed on November 13, 2025.	Board has given approval for rights issue expenses short spent for working capital utilization in the Board Meeting held on 05.09.2025. So, it is not post-facto approval of Board.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Management certificate Rights issue letter of offer	No material deviations observed.	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	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 general corporate purpose (GCP) as per resolution passed by Board of	No comments

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
			Directors.	
Is there any major deviation observed over the earlier monitoring agency reports?	No	Monitoring agency report dated November 13, 2025	None	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Management certificate	The company has all required approvals in place.	No comments
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 and working capital purposes.	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management certificate	None	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Bank statements, Management certificate, Letter of Offer	None	No comments

#### 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	No revision	No comments	No comments	No comments
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	No revision	No comments	No comments	No comments
3	General Corporate Purposes	Chartered accountant certificate* Management Certificate Rights Issue letter of Offer, Board of Directors minutes of	35.21	35.54	As per management, company received Rs. 0.02 crore less than the estimated subscription amount due to undersubscription. This shortfall has been adjusted against the GCP component, in	No comments	No comments	No comments

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
		meeting held on September 05, 2025.			accordance with the resolution passed by Board of Directors. Further, the Issue expenses were lower by Rs. 0.35 crore than the envisaged amount. The same has been utilized towards GCP, in line with the resolution passed by Board of Directors.			
4	Issue Expenses	Chartered accountant certificate* Management Certificate Rights Issue letter of Offer	2.25	1.90	Actual issue expenses were lower by Rs. 0.35 crore which has been reallocated towards GCP, in line with the resolution passed by Board of Directors.	No comments	No comments	No comments
<b>Total</b>			<b>149.21</b>	<b>149.19</b>				

\* Chartered Accountant certificate from M/s DGMS & Co., dated January 15, 2026.

(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.	67.50	67.50	66.99	0.51	67.50	-	The company utilized the proceeds to repay its debt with Davangere Harihar Urban Co-operative Bank Ltd (DHUC). In Q2FY26, Rs. 2.00 crore was transferred from the monitoring account to the company's current account, out of which Rs. 1.99 crore was paid towards the loan. The remaining Rs. 0.01 crore, lying in the current	No comments	No comments

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
									account as of September 30, 2025, was transferred to the loan account on October 06, 2025, thereby closing the loan. The bank has also issued a No Dues Certificate confirming the closure of the said loan. Company has also repaid working capital term loan of Rs. 0.50 crore from Davangere District Central Co-operative Bank Ltd on October 21, 2025. This is a part repayment of Working Capital Term Loan in line with letter of offer.		
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	-	None	No comments	No comments
3	General Corporate Purposes	Chartered accountant certificate Management Certificate Rights Issue letter of Offer	35.21	35.54	32.70	2.84	35.54	-	The amount has been utilized towards purchase of raw material, Maize for ethanol production.	No comments	No comments
4	Issue expense	Chartered accountant certificate Management Certificate Rights Issue letter of Offer	2.25	1.90	1.90	-	1.90	-	None	No comments	No comments
<b>Total</b>			<b>149.21</b>	<b>149.19</b>	<b>145.84</b>	<b>3.35</b>	<b>149.19</b>	<b>-</b>			

(iii) Deployment of unutilized proceeds: Not Applicable, company has utilized entire rights issue proceeds as of December 31, 2025.

(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	March 31, 2026	Completed	No delays	No comments	No comments
Adjustment of Unsecured Loans against the Rights Entitlement of the Promoters	March 31, 2026	Completed	No delays	No comments	No comments
General Corporate Purposes	March 31, 2026	Completed	No delays	No comments	No comments

*\*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 January 15, 2026.*

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

Sr. No	Item Head <sup>^</sup>	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	Working capital purpose	2.84	Chartered Accountant certificate* Management Certificate, Board of Directors minutes of meeting held on September 05, 2025. Board of Directors minutes of meeting held on November 13, 2025.	The amount has been utilized towards purchase of maize which is raw material for ethanol production.	No comments
	<b>Total</b>	<b>2.84</b>			

*\* Chartered Accountant certificate from M/s DGMS & Co., dated January 15, 2026.*

<sup>^</sup> 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 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 statutory auditors, 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.

by