



PSCL CIN: L15432AP1990PLC032731

## Prudential Sugar Corporation Limited

Regd. Office: 'Akash Ganga', Plot # 144, Floor, Srinagar Colony, Hyderabad – 500 073 Telangana (INDIA)

Phone: +91-40-23746451 / 67334400/01 Fax : +91-40-67334433

[www.prudentialsugar.com](http://www.prudentialsugar.com)

Ref: PSCL/AR/BSE/2017-18/0024

Date: 02/04/2018.

To  
Dy.General Manager  
**Bombay Stock Exchange Ltd.,**  
Phiroje Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

To  
Asst. Vice President,  
**National Stock Exchange of India Ltd.,**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/5,  
G Block, Bandra-Kurla Complex,  
Bandra (E), MUMBAI – 400 051.

To  
The Secretary  
**The Calcutta Stock Exchange Association Ltd.,**  
7, Lyons Tange,  
Kolkata – 700 001.

**Sub: Submission of 26<sup>th</sup> Annual Report of the Company  
for the Financial Year 2016-17**

**Scrip Code: 500342**

Dear Sir/Madam,

We are forwarding herewith a copy of Annual Report of the Company for the Financial Year 2016-17 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, duly approved and adopted by members in the 26<sup>th</sup> Annual General Meeting of the Company as per the provisions of Companies Act, 2013.

This is for your information and record

Thanking you

Yours faithfully

**For Prudential Sugar Corporation Limited**

**Authorized Signatory**

Encl: as above

**26th Annual Report  
2016-17**



**Prudential Sugar Corporation Limited**

**Prudential Sugar Corporation Limited**



# Prudential Sugar Corporation Limited



## BOARD OF DIRECTORS

Mr. Vinod Baid — *Chairman*  
Mr. Kishore Jhunjunwala — *Independent Director*  
Mr. K. Subba Rao — *Whole Time Director*  
Ms. Sadhana Bhansali — *Independent Director*  
Mr. Y. Ravinder Reddy — *Independent Director*

## AUDIT COMMITTEE

Mr. Y. Ravinder Reddy — *Chairman*  
Mr. Kishore Jhunjunwala — *Member*  
Mr. K. Subba Rao — *Member*  
Ms. Sadhana Bhansali — *Member*

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Y. Ravinder Reddy — *Chairman*  
Mr. Kishore Jhunjunwala — *Member*  
Mr. K. Subba Rao — *Member*  
Ms. Sadhana Bhansali — *Member*

## STATUTORY AUDITORS

M/s. Laxminiwas & Jain  
Chartered Accountants  
5-4-726, Nampally Station Road  
Hyderabad - 500 001.

## BRANCH AUDITOR

Sibsankar & Associates  
Chartered Accountants  
AK-177, Sector II, Salt Lake City  
Kolkata - 700 091.

## REGISTRAR & SHARE TRANSFER AGENTS

R&D Infotech (P) Ltd.  
1st Floor, 7A, Beltala Road  
(Naresh Mitra Sarani)  
Kolkata - 700 026.

## REGISTERED OFFICE

Akash Ganga  
Plot No.144, Sri Nagar Colony  
Hyderabad - 500 073.

## REMUNERATION AND NOMINATION COMMITTEE

Mr. Y. Ravinder Reddy — *Chairman*  
Mr. Kishore Jhunjunwala — *Member*  
Mr. K. Subba Rao — *Member*  
Ms. Sadhana Bhansali — *Member*

## EXECUTIVE OFFICERS

Mr. K. Subba Rao — *Whole Time Director*  
Mr. Pradeep Kumar Baid — *Chief Financial Officer*  
(resigned from  
30.06.2017)  
Mr. Sandeep Daga — *Company Secretary*  
Mr. Anit Surana — *Chief Financial Officer*  
(w.e.f. 01.09.2017)

## SECRETARIAL AUDITOR

R.N. Goswami & Co.  
Company Secretaries

## COST AUDITOR

M/s. N.S.V. Krishna Rao & Co.  
Cost Accountant

## BANKERS

Bank of Maharashtra  
IndusInd Bank

## FACTORY

"PRUDENTIAL NAGAR"  
P.O. Koppedu, Nindra Mandal  
Dist. - Chittoor, A.P. - 517 587.



**NOTICE**

Notice is hereby given that the 26th Annual General Meeting of the Members of Prudential Sugar Corporation Limited will be held on Saturday, the 31st March, 2018 at 11:30 am at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad-500094, Telangana State to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT the audited accounts of the Company containing the Balance Sheet as at and the Statement of Profit & Loss for the year ended 31st March, 2017 together with their annexures and the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."
2. To appoint a director in the place of Mr. Kurra Subba Rao (DIN: 02552019), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Kurra Subba Rao (DIN: 02552019) be and is hereby re-appointed as a director liable to retire by rotation."
3. Appointment of Auditors  
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and based on the recommendations of the Audit Committee and the Board of Directors, approval of Members be and is hereby accorded to the appointment of M/s. R. Pugalia & Co., Chartered Accountants (Firm Registration No. 318188E) 20E, Lake Road, Kolkata - 700029, as Statutory Auditors of the Company, in place of retiring auditors M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S), to hold office from the conclusion of this 26th Annual General Meeting (AGM) until the conclusion of the 31st AGM, for a period of 5 years, and subject to ratification by members at every Annual General Meeting and at such remuneration and out of pocket expenses, as may be decided and approved by the Audit Committee and Board of Directors of the Company."

**SPECIAL BUSINESS:**

4. To ratify the remuneration payable to the Cost Auditors and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.75,000 excluding reimbursement of actual travel and out of pocket expenses and applicable taxes payable to M/s. N.S.V. KRISHNA RAO & CO., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No. 101516), to conduct the audit of cost records of the company for the financial year ending March 31, 2018."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board  
for **Prudential Sugar Corporation Limited**

Place : Hyderabad  
Date : 27.02.2018

**Sandeep Daga**  
Company Secretary



**NOTES**

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such Company.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 27th March, 2018 to 31st March, 2018 (both days inclusive).
10. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Pursuant to Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.  
SEBI has also mandated that for registration of transfer of securities, the transferee as well as transferor shall furnish a copy of their PAN card to the Company.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. R&D Infotech (P) Ltd., 1st Floor, 7A, Beltala Road, Kolkata - 700 026. Beneficial



owners holding shares in electronic form are requested to intimate change in address/Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). Members are requested to register/update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form.

13. Electronic copy of the Annual Report for the financial year 2016-17 along with the Notice of the 26th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-17 along with Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
14. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for the financial year 2016-17 will also be available on the Company's website [www.prudentialsugar.com](http://www.prudentialsugar.com) and on the website of the Registrar [www.rdinfotech.org](http://www.rdinfotech.org) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [pscl.secretarial@gmail.com](mailto:pscl.secretarial@gmail.com).
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
16. With a view to using natural resources responsibly, we request the shareholders to update respective e-mail addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
17. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company during normal business hours on all working day.
18. To support the 'Green Initiative' the members who have not registered their e-mail addresses are requested to register the same with M/s R&D Infotech (P) Ltd.
19. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
20. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.



**Voting through electronics means:**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolutions placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com/> or [www.prudentialsugar.com](http://www.prudentialsugar.com)

The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

**The procedure to login to e-Voting website is given below:**

1. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles
7. Select EVEN (E-Voting Event Number) of PRUDENTIAL SUGAR CORPORATION LIMITED. Members can cast their vote online from March 28, 2018 (9:30 am) till March 30, 2018 (5:00 pm).
8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [sweetyp Kapoor53@rediffmail.com](mailto:sweetyp Kapoor53@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**General instructions:**

11. The e-voting period commences on March 28, 2018 (9:30 am) till March 30, 2018 (5:00 pm). During this period, shareholders' of the Company may cast their vote electronically. The e-voting





module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- a. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd March, 2018 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- b. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- c. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- d. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd March, 2018.
- e. Ms. Sweety Kapoor, Practicing Company Secretary, has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- f. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- g. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- h. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.prudentialsugar.com](http://www.prudentialsugar.com) and on the website of NSDL after AGM.

All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to date of declaration of the result of the 26th Annual General Meeting of the Company.

**Other information:**

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF,  
ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

## **Prudential Sugar Corporation Limited**



### **APPEAL TO MEMBERS**

The Company would like to appeal and encourage its members to hold their shares in Dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat/ Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat mode. The detailed procedure of Dematerialization of Shares is also given on the website of the Company under Investor Relations Section. The members may also get in touch with M/s. R&D Infotech (P) Ltd. our Registrar and Share transfer Agent.

By Order of the Board  
for **Prudential Sugar Corporation Limited**

Place : Hyderabad  
Date : 27.02.2018

**Sandeep Daga**  
Company Secretary

### **EXPLANATORY STATEMENT**

THE FOLLOWING EXPLANATORY STATEMENT, PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT"), SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED AT ITEM NO 4:

#### **Item No. 4:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors for the Financial Year 2017-18 on remuneration as detailed in the resolution.

In accordance with the provisions of Section 148 of the Act, 2013 and the Rules made there under, the remuneration payable to the Cost Auditors needs 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.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution proposed in Item No. 4.

By Order of the Board  
for **Prudential Sugar Corporation Limited**

Place : Hyderabad  
Date : 27.02.2018

**Sandeep Daga**  
Company Secretary

**Prudential Sugar Corporation Limited**

**Additional information on directors recommended for appointment/re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015 and Secretarial Standard - 2**

Name of the Director	Mr. Kurra Subba Rao
DIN	02552019
Date of Birth	05.06.1949
Age	68 years
Qualification	B.Tech. (Mech.), B.O.E.
Experience	He has vast experience in sugar business and various other Industries
Relationship with other director/ Manager and other KMP	No relationship
No. of Shares held	—
Directorships of other Board	1
Membership/Chairmanship of Committees of other Board	1

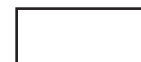
Note: Pursuant to Regulation 26 of the SEBI Listing Regulations, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee alone has been considered.

Except Mr. Kurra Subba Rao and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 2 of the notice.

By Order of the Board  
for **Prudential Sugar Corporation Limited**

Place : Hyderabad  
Date : 27.02.2018

**Sandeep Daga**  
Company Secretary



**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 26th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2017.

**Financial Results**

The performance for the Financial Year ended March 31, 2017 is as under:

**(Rs. in Lakhs)**

	<b>for the Year ended 31.03.2017</b>	for the Year ended 31.03.2016
Total Income	<b>7377.84</b>	9817.99
Profit/(Loss) before Interest and Depreciation	<b>174.24</b>	(2143.70)
Less: Interest	<b>0.13</b>	178.55
Profit/(Loss) after Interest but before Depreciation & Tax		
Depreciation & Tax	<b>174.11</b>	(2322.25)
Less: Depreciation	<b>219.48</b>	184.53
Profit/(Loss) before tax	<b>(45.36)</b>	(2506.78)
Provision for Tax:		
- Taxation for earlier year	—	—
- Current	—	—
- Deferred Tax Asset	<b>13.90</b>	807.68
Profit/(Loss) after Tax and Dividend	<b>(31.46)</b>	(1699.10)
Add: Balance brought from previous year	<b>(1948.85)</b>	(249.76)
Surplus/(Loss) carried to Balance Sheet	<b>(1980.31)</b>	(1948.86)

**State of the Company's Affairs**

During the crushing season 2016-17 Company has crushed 247810 MTs of cane as against 295328 MTs of cane crushed during crushing season 2015-16. The average recovery during the year under review 8.25% as against 7.53% during last crushing season.

**Share Capital:**

**Authorized Share Capital**

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2017 was Rs.75,00,00,000, comprising of 5,00,00,000 equity shares of Rs.10 each and 50,00,000 Nos. of 16% Cum Redeemable Preference shares of Rs.50.

**Paid-up Share Capital**

During the Financial Year 2016-17, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2017 was Rs.37,20,70,000, comprising of the following:

- 1,54,06,400 Equity Shares of Rs.10 each
- 1,03,45,600 Equity Shares of Rs.10 each  
(Converted from 2,586,400 Equi Pref. Shares of Rs.40 each)
- 20,000 16% Cum. Redeemable Pref. Shares of Rs.40 each  
(Rs.10 converted into Equity)
- 65,00,000 Equity Shares of Rs.10 each



**Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

**Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

**Bonus Shares**

The Company has not issued any bonus shares during the year under review.

**Employees Stock Option**

The Company has not provided any Stock Option Scheme to the employees.

**Dividend**

Your Directors have not recommended any dividend on Equity Shares for the year under review.

**Transfers to Reserves**

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

**Fixed Deposits**

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under.

**Listing of Equity Shares**

The Company's Equity shares are listed at the following Recognized Stock Exchanges:

BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai-400 001; However the listing of the Company's shares on the Exchange is under suspension as on 31.03.2017.

NSE Ltd, Exchange Plaza, G Block, Bandra Kurla Complex, Bandra, Mumbai - 400051

Calcutta Stock Exchange, 7, Lyons Range, Kolkata-700001

Madras Stock Exchange - Exchange has been closed down and is not operational now.

Ahmedabad Stock Exchange - Exchange has been closed down and is not operational now.

The Board of Directors of the Company has decided that the Company may go for voluntary delisting of its shares on the National Stock Exchange of India Limited and other Regional Exchanges while it remains listed on the BSE Ltd in terms of SEBI (Delisting of Equity Shares) Regulations, 2009.

Pursuant to the Board Resolution, the Company has initiated steps to comply with all the necessary procedural formalities for revocation of suspension of its shares on BSE Limited.

However, in the meantime, the National Stock Exchange of India Limited had on 04.09.2017 without giving an opportunity of Personal Hearing to the Company, passed an Order notifying that the Company's Shares are delisted from the Exchange with effect from 15.09.2017. In this regard, the Company had filed an Appeal before the Securities Appellate Tribunal (SAT) against the impugned Order and the Hon'ble Tribunal was pleased to issue Order dated 18.12.2017 setting aside the impugned Order of the NSE with a direction that a fresh order on merits be passed after affording an opportunity of hearing to the Company.

Accordingly, the NSE afforded a Personal Hearing to the Company and based on the Company's submissions at the Personal Hearing, the Delisting Committee of the Exchange was pleased to grant time up to 31.03.2018 for voluntary delisting. The Company has already initiated expeditious steps in this direction.



**Subsidiaries, Associates and Joint venture**

The Company doesn't have any Subsidiaries, Joint Ventures and Associate Companies.

**Number of Meetings of the Board of Directors**

The Board of Directors duly met 8 times during the financial year from 1st April, 2016 to 31st March, 2017, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard - 1.

**Independent Directors' Meeting**

The Independent Directors met on 14.02.2017, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013**

Pursuant to the requirement under Sec 134 (3)(C) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and Statement of Profit and Loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2017 on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149**

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

**Management Discussion and Analysis**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis discusses the key issues concerning the business and carried out by the Company and the same is enclosed as Annexure - I to this Report.



### **Management of Risks**

There is considerable pressure to keep up the realization from the services in view of highly competitive market.

### **Corporate Social Responsibility (CSR) Initiatives**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company ie. (a) net worth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs.1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company.

### **Audit Committee**

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of the following Directors namely Mr. Y Ravinder Reddy, Chairman, Ms. Sadhana Bhansali, Mr. Kishore Jhunjunwala, Mr. Kurra Subba Rao

ρ Brief description of terms of reference:

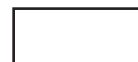
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- carry on the evaluation of every director's performance;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

ρ Nomination and Remuneration policy:

In compliance to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to appointment/nomination and remuneration payable to the Directors, Key Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same was discussed in the Corporate Governance Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### **Particulars of Loans, Guarantees or Investments under Section 186**

The company has not given any Loans, Guarantees, nor made Investments during the Financial Year ended on March 31, 2017 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.



**Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188**

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as Annexure - IV to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

During the year under review there are no contracts / arrangements / transactions entered by the Company with related parties and do not attract the provisions of Section 188 of the Companies Act, 2013.

**Extracts of Annual Return**

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure - II to this Report.

**The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - III to this Report.

**Mechanism for Evaluation of Board**

Pursuant to section Sec 134 (3)(q) read with Rule 8 (5) (viii) of Cos (Accounts) Rules Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

- A. Criteria for evaluation of Board of Directors as a whole
- i. The frequency of meetings;
  - ii. The length of meetings;
  - iii. The administration of meeting;
  - iv. The number of committees and their roles;
  - v. The flow of information to board members and between board members;
  - vi. The quality and quantity of information; and
  - vii. The Disclosure of Information to the stakeholders.





**B. Criteria for evaluation of the Individual Directors**

- i. Ability to contribute and monitor corporate governance practices;
- ii. Ability to contribute by introducing best practices to address top management issues;
- iii. Participation in long term strategic planning;
- iv. Commitment to the fulfillment of director obligations and fiduciary responsibilities;
- v. Guiding strategy;
- vi. Monitoring management performance and development;
- vii. Statutory compliance & Corporate governance;
- viii. Attendance and contribution at Board /Committee meetings;
- ix. Time spent by each of the member; and
- x. Core competencies.

**Details of Directors or Key Managerial Personnel who were appointed or have resigned during the Year**

In terms of Section 152 of the Companies Act, 2013, Mr. Kurra Subba Rao, Director would retire by rotation at the forthcoming AGM and being eligible for re-appointment. Mr. Kurra Subba Rao has offered himself for re-appointment.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013. However, Mr. Vinod Baid, Director, informed the Board that he was one of the two Directors on the Board of Sree Venkateswara Sugar Industries Private Limited whose registered office is located at Hyderabad and that the name of the Sree Venkateswara Sugar Industries Private Limited was struck off Register of Companies and consequently dissolved vide Notice dated 21.07.2017 issued by the Registrar of Companies, Hyderabad, which has notified that he was disqualified as a Director for a period of five years. He, however, further informed that as per legal expert's advice, the Order of the RoC is being challenged before the competent Court of law for revival of his Directorship.

Mr. Pradeep Kumar Baid, CFO, had resigned on 30.06.2017 and in his place, the Board of Directors at its meeting held on 28.08.2017 decided to appoint Mr. Anit Surana, as the Chief Financial Officer of the Company w.e.f. 01.09.2017 pursuant to his acceptance of the offer of the Company.

There was no other appointment or cessation of appointment of key managerial personnel during the financial year.

**Non-Regularisation of Mr. Mahip Jain as Director**

Mr. Mahip Jain (DIN 07130462), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on April 1, 2017 and whose term of office expires at this Annual General Meeting ('AGM').

As per Section 161 of the Companies Act, 2013, Mr. Mahip Jain as an Additional Director shall hold office upto the date of the next AGM or the last date on which the AGM should have been held, whichever is earlier.

However, the Company has not conducted Annual General Meeting within the due date i.e., 30.09.2017 nor obtained any extension to conduct the AGM for three months which is available to the Company.

Pursuant to Section 161 (1) of the Companies Act, 2013, Mr. Mahip Jain automatically vacated the office of Additional Director as on September 30, 2017.



**Deposits**

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

**Statutory Auditors**

In terms of the provisions of Section 139(1) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditors for more than two terms of five consecutive years. The Act further prescribes as per section 139(2), that the Company shall comply with requirements within a period not later than the date of First AGM held after three years from the commencement of this Act.

M/s. Laxminivas & Jain, Chartered Accountants (Firm Registration No. 001859S), Statutory Auditors of the Company have completed two consecutive terms of five years each. In terms of their appointment made at the 23rd AGM held on 30th September, 2014, they shall hold office of the auditors up to the conclusion of the 26th AGM. Your company's Board placed on record its appreciation and gratitude to M/s. Laxminivas & Jain, the retiring Statutory Auditors for their long association with the Company and also thanked all the partners for their invaluable guidance rendered to the company.

Based on the recommendations of the Audit Committee and subject to the approval of the shareholders, it is proposed to appoint M/s. R. Pugalia & Co., Chartered Accountants (Firm Registration No. 318188E) 20E, Lake Road, Kolkata - 700 029, as Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of 26th AGM till the conclusion of the 31st AGM. M/s. R. Pugalia & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

**Qualification by Statutory Auditor**

Information & Explanation in respect of Qualification/Reservation or Adverse remarks contained in Independent Auditors Report under Paras: Basis for Qualified opinion:

- A. Regarding Business Transfer Agreement with Natems Sugar Limited the execution is pending due to legal order and other conditions, Refer Note No. 23 (d) - impact of the same on Assets/Liabilities and Loss of the company is unascertained.
- B. In spite of continues erosion of networth, position of excess of current liabilities over current assets and uncertainty associated with operations of the company, the Accounts of the Company are prepared on going concern basis.
- C. Since all the shares of the Company were converted into equity Share the Company did not redeem the 16% Redeemable Cumulative Preference Shares and did not provide for arrears of dividend thereon.
- D. In view of very limited strength of employees, presently working with the Company, the requirements of AS-15 Employee Benefits in respect of gratuity could not be complied with. However provision for gratuity as required under Payment of Gratuity Act has been provided for.
- E. The company could not get confirmation of balances in respect of Trade Receivables and Trade Payables other than due from/to related parties as most of them are very old and presently no transactions are being taken place with them.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. R.N. Goswami & Co, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2016-17.



**Board Response:**

Due to the management dispute marked by the ROC the Company could not file certain forms. However, the Company had been in the process to file all the Forms with ROC.

**Internal Auditors**

In pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, the Board of Directors of the Company has assigned the function of Internal Audit to an independent firm of Chartered Accountants to carryout Internal Auditing of books of accounts periodically which are placed before the Audit Committee for review at its meetings.

**Internal financial control and its adequacy**

The Board of your Company has laid down internal financial controls which comply with the provisions of the Companies Act, 2013 and Listing Regulation with Stock Exchange and that such internal –financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**Corporate Governance**

The Company is committed to good corporate governance in line with the SEBI (LODR) Regulations, 2015 and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with BSE. A certificate of compliance from M/s. Laxminiwas & Jain, a practicing Chartered Accountants and the report on Corporate Governance form part of this Directors' Report.

**Vigil Mechanism**

The Board of Directors have adopted Whistle Blower Policy. The Whistle Blower Policy aims at conducting the affairs of the company in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

**Secretarial Audit Report**

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed M/s R.N.Goswami & Co , Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the company for the Financial year ended on March 31, 2017.

Secretarial Audit Report issued by R.N.Goswami, Proprietor of M/s R.N.Goswami & Co., Company Secretaries in form MR-3 is enclosed as Annexure – V to this Annual Report.

**Statement of particulars of appointment and remuneration of managerial personnel**

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - VI to this Annual Report.



There are no employees whose particulars need to be furnished pursuant to Rule 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Insurance**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

**Details in respect of adequacy of internal financial controls with reference to the Financial Statements**

1. The Company has set internal control systems to maintain accurate and complete accounting records, to safeguard its assets, to prevent and detect any frauds and errors.
2. The Company has appointed Internal Auditors to observe the Internal Controls, whether the workflow of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Fixed Assets Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

**The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year**

NIL.

**Change in the nature of business**

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

**The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

The Board of Directors of the Company at its meeting held in the Month of August, 2014 considered the proposal of the Chairman and based a Resolution to sell, transfer, assign, deliver, novate or dispose of the sugar business of the Company to a prospective investor namely, Natems Sugar Private Limited subject to necessary approvals, consents, permissions and sanctions from Banks, Institutions, and other Secured Creditors in whose favor charge of the assets of the Company was existing and also, subject to the approval of shareholders. Accordingly a Resolution was put to vote through postal ballot in terms of Section 180(1)(a) of the Companies Act, 2013 to seek the assent/dissent of the shareholders.

However, upon completion of the process of postal ballot (physical & e-voting) the Company had received an ad-interim injunction order passed by the Hon'ble Court of II Additional Chief Judge, City Civil Court, Hyderabad against the petition filed by an investor pursuant to which the activities to follow the Postal Ballot were kept on hold. After the said injunction was vacated on 31.03.2015, the company had completed the rest of the activities relating to the postal ballot through which the said Resolution was given assent by 99.96% of the shareholders.

The Board of Directors of the Company during its meeting in November 2014 felt that there was an urgent need to make the operations and management of the Company more effective in terms of



optimization of sugarcane yield and also recovery of sugar by making meaningful use of the skills of the employees and also improve the administrative management of the Company. Accordingly, the Company had engaged the services of Nanda Ventures Private Limited, a Company which has extensive experience and expertise in operating and managing the sugar factories, by entering into an Operation and Management Agreement on specific terms and conditions to ensure the desired results.

Subsequently, in the month of April, 2015, after vacation of interim injunction and the Resolution passed by the shareholders, the Company had entered into a Business Transfer Agreement with Natems Sugar Private Limited whereby the Operations and Management Agreement signed with Nanda Ventures Private Limited stood terminated.

Consequent upon signing of the Business Transfer Agreement, the operations of the Company are being managed by Natems Sugar Private Limited as per the terms and conditions stipulated in the said Agreement. However, the transfer of the sugar business is not completed in all respects and the conveyance of the assets of the sugar business has not been executed owing to pendency of the Appeal, against the order passed by the Lower Court dismissing the ad-interim injunction, in the Hon'ble High Court of Judicature at Hyderabad.

The said Appeal was disposed off by the Hon'ble High Court of Judicature at Hyderabad on 13.04.2016 with a direction that the Company shall maintain the status quo existing as on 31.03.2015 in respect of its business, assets, liabilities, encumbrances etc., and granted 60 days time to comply with the order.

The Company preferred an Appeal before the Hon'ble Supreme Court of India by filing a Special Leave Petition (SLP) and upon hearing the said SLP, the Hon'ble Supreme Court was pleased to pass an order extending the time to comply with the direction of the Hon'ble High Court of Judicature at Hyderabad till next hearing.

At the subsequent hearing held on 21.03.2017 the Hon'ble Supreme Court, after hearing both the sides disposed-off the Company's Appeal arising out of the SLP making categorical observation that the Resolution to sell, transfer, assign, deliver or dispose of the sugar business of the Company as approved by the shareholders of the Company through Postal Ballot be given effect and set aside the direction given by the Hon'ble High Court of Judicature at Hyderabad directing the Company to maintain status-quo of its business, assets, liabilities, encumbrances etc., as on 31.03.2015.

Further, the Hon'ble Supreme Court while setting aside the impugned Hon'ble High Court's Order has given directions that,

- a. Natems Sugar Private Limited shall pay the balance consideration to Prudential Sugar Corporation Limited with a period of six weeks from the date of the Order and
- b. Prudential Sugar Corporation Limited shall deposit a sum of Rs.25.00 crores into the Court of XXV Additional Chief Judge, City Civil Court, Hyderabad within a period of two months from the date of Order and that the said amount shall be invested by the City Civil Court in an interest-bearing fixed deposit account in a Nationalized Bank till the pendency of the Civil suit and/or Arbitration Proceedings.

Accordingly, the Company had deposited Rs.25.00 crores in the above Court after receipt of the balance consideration from Natems Sugar Private Limited.

Pursuant to the above Order of the Hon'ble Supreme Court, the Company has executed Business Transfer Completion Agreement on 26.04.2017. Consequent to which a Sale Deed conveying the assets of the Company was executed on 16.05.2017 in favor of Natems Sugar Private Limited and the same was registered with the Office of the Sub-Registrar, Pichatur, Nindra Mandal, Chittoor District.



However, despite the transfer of the assets of the Company in favor of Natems Sugar Private Limited, a few legal cases filed by Mr. Ch. Krishna Murthy against the Company are still pending before the respective Courts.

The details of the cases filed:

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S.No.	Case No.	Status of case
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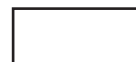
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**i. against the Company**

- 1 OS 821/2014 The Suit filed by Mr. Ch. Krishna Murthy and Sri Venkateshwara Sugar Industries Private Limited against Mr. Vinod Baid and the Company before the II Additional Chief Judge, City Civil Court, Hyderabad along with Interim Application IA No. 2074 by 2014) seeking injunction on the Postal Ballot conducted by the Company for sale/transfer of the Company's Sugar business and other consequential acts relating to the postal ballot. While the IA 2074 was disposed off in favor of the Company, the Main Suit is presently pending disposal before the Hon'ble Court.
- 2 OP 2956/2014 Mr. Ch. Krishna Murthy filed a petition u/s 9 of Arbitration Act before the XXV Additional Chief Judge, City Civil Court, Hyderabad, seeking direction from the Hon'ble Court to appoint a Receiver/Auditor to protect his alleged investment in the Company. The matter is pending before the Hon'ble Court.
3. CP 184/241/ Mr. Ch. Krishna Murthy filed a Company Petition against the Company and the Directors of the Company before the National Company Law Tribunal, Hyderabad for multiple interim reliefs relating to the operations of the Company and the transfer of assets of the Company executed in favor of Natems Sugar Private Limited. Pursuant to the Hon'ble Supreme Court's Order the Company has filed its counter and the matter is pending before the Tribunal for hearing as on date.

**ii. by the Company**

- 1 OS 384/2013 HDB/2017 The Company had filed a Suit against Mr. Ch. Krishna Murthy and six Additional Directors illegally inducted on the Board of the Company by Mr. Ch. Krishna Murthy seeking a direction from the Hon'ble Court to restrain the Respondents from claiming to be the Directors of the Company and also illegally representing the Company.
- 2 OS 4715/2015 The Company has filed the said Suit against Teja Charities, Tirupati in which Mr. Ch. Krishna Murthy is interested, before the Hon'ble Chief Judge, City Civil Court, Hyderabad seeking decree for a sum of Rs.1.00 crore being the loan given by the Company to Teja Charities along with interest. The case is presently pending before the Hon'ble Court.
- 3 WP 23442/2015 The Company filed the said WP against IFCI and Sri Venkateshwara Sugar Industries Private Limited before the Hon'ble High Court of Judicature at Hyderabad, seeking direction to IFCI to release the original Title documents of the Company in terms of IFCI's letter of settlement of dues cleared by Sri Venkateshwara Sugar Industries Private Limited, as the Assignee of the said debt. The case is presently pending before the Hon'ble Court.
- 4.WP22515/2015 The Company filed Writ Petition No. 22515/2015 against the Registrar of Companies, Hyderabad before the Hon'ble High Court of Judicature at Hyderabad seeking direction to the RoC to demark the Company "as having management dispute" as it was arbitrary and illegal and against natural justice. The said Petition has been heard by the Hon'ble Court and the Orders are reserved as on date.



### **Material changes and commitments affecting the financial position of the Company**

In view of the Business Transfer Agreement for sale/transfer of assets of the Company signed with Natems Sugar Private Limited, the Company has fully discharged its liabilities with its Consortium of Banks during the financial year ended 31.03.2017. As such, the Company does not have any undischarged financial obligations with its Consortium of Banks as on date.

### **Policy on Sexual Harassment**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

### **Listing Agreement**

The Company entered into a Listing Agreement with BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into a new Listing Agreement with BSE Limited during the year.

### **Policies**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

#### **i. Whistleblower Policy (Policy on vigil mechanism)**

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2017.

#### **ii. Policy for Determining Materiality for Disclosures**

This policy applies to disclosures of material events affecting PSCL. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

#### **iii. Policy on Document Retention**

The policy deals with the retention and preservation of corporate records of the Company.

### **Human Resources**

The company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunity to equip them with skills, which would enable them to adapt contemporary technological advances.

**Prudential Sugar Corporation Limited**



**Acknowledgement**

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

On behalf of the Board of Directors  
for **Prudential Sugar Corporation Limited**

Place : Hyderabad  
Date : 26.10.2017

**K. Subba Rao**  
Whole Time Director  
(DIN 02552019)

**Y. Ravinder Reddy**  
Director  
(DIN 00011040)





**ANNEXURE - II**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2017

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I		REGISTRATION AND OTHER DETAILS	
i.	CIN	L15432TG1990PLC032731	
ii.	Registration Date	03/12/1990	
iii.	Name of the Company	Prudential Sugar Corporation Limited	
iv.	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company	
v.	Address of the Registered Office and contact details	Akash Ganga, Plot # 144, 4th Floor, Srinagar Colony, Hyderabad - 500 073, Telangana State Email: pscisugar@gmail.com, Phone: +91-40-67334400, Fax : +91-40-67334433	
vi.	Whether listed Company	Yes	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	R&D Infotech Pvt. Ltd., 1st Floor, 7A, Beltala Road, Naresh Mitra Sarani, Kolkata - 700 026.	
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:			
Sl. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Sugar	17011.09	100%
III		PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL	



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

1. CATEGORY-WISE HOLDING

Sl.No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the beginning of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
i.	Indian									
(a)	Individuals / HUF	6125000	3500000	9625000	26.92	6125000	3500000	9625000	26.92	
(b)	Central Government									
(c)	State Government(s)									
(d)	Bodies Corporate	2731689	8745910	11477599	32.10	2731689	8745910	11477599	32.10	
(e)	Banks/FI									
(f)	Any Other (Specify)									
	Sub - Total (A) (1):-	8856689	12245910	21102599	59.02	8856689	12245910	21102599	59.02	
ii.	Foreign									
(a)	NRIs-Individuals									
(b)	Other - Individuals									
(c)	Bodies Corporates									
(d)	Banks/FI									
(e)	Any other									
	Sub - Total (A) (2):-									
	Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	8856689	12245910	21102599	59.02	8856689	12245910	21102599	59.02	





**2. SHAREHOLDING OF PROMOTERS**

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Prudential Capital Market Ltd	1000000	2.80	-	1000000	2.80	-	-
2	VAB Ventures Ltd	10477599	29.31	-	10477599	29.31	-	-
3	Chadalavada Krishna Moorthy	2125000	5.94	-	2125000	5.94	-	-
4	Sucharitha Manda	2000000	5.59	-	2000000	5.59	-	-
5	Chadalavada Krishna Moorthy*	1750000	4.89	-	1750000	4.89	-	-
6	Sucharitha Manda*	1750000	4.89	-	1750000	4.89	-	-
7	Geddiam Sumalatha	1000000	2.80	-	1000000	2.80	-	-
8	Chadalavada Kavitha	1000000	2.80	-	1000000	2.80	-	-
	Total	21102599	59.02	-	21102599	59.02	-	-

**Notes:**

1. The shares held by Silver Golden Property Develop Fin. Inv. have been clubbed with VAB Ventures Limited as they are one and the same. Accordingly, the consolidated holding of both the entities have been shown under VAB Ventures Limited both at the beginning of the year as well as at the end of the year. The shareholding as at the beginning and end of the year is of the shareholders who are a part of the Promoter Group as on date.
2. \*Partly paid-up Shares of Rs.2.50.



**3. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY IF THERE IS NO CHANGE)**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Prudential Capital Market Ltd.	1000000	2.80	---	---
At the beginning of the Year		1000000	2.80	---	---
At the end of the year (or on the date of separation, if separated during the year)		1000000	2.80	1000000	2.80
2	VAB Ventures Ltd	10477599	29.30	---	---
At the beginning of the Year		10477599	29.30	---	---
At the end of the year (or on the date of separation, if separated during the year)		10477599	29.30	10477599	29.30
3	Chadalavada Krishna Moorthy	3875000	10.84	---	---
At the beginning of the Year		3875000	10.84	---	---
At the end of the year (or on the date of separation, if separated during the year)		3875000	10.84	3875000	10.84
4	Sucharitha Manda	3750000	10.49	---	---
At the beginning of the Year		3750000	10.49	---	---
At the end of the year (or on the date of separation, if separated during the year)		3750000	10.49	3750000	10.49
5	Geddam Sumalatha	1000000	2.80	---	---
At the beginning of the Year		1000000	2.80	---	---
At the end of the year (or on the date of separation, if separated during the year)		1000000	2.80	1000000	2.80
6	Chadalavada Kavitha	1000000	2.80	---	---
At the beginning of the Year		1000000	2.80	---	---
At the end of the year (or on the date of separation, if separated during the year)		1000000	2.80	1000000	2.80



**4. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Premier Fiscal Services P. Ltd.	3400500	9.51	3400500	9.51
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)					
2	Pilot Consultants P. Ltd.	1700000	4.75	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)					
3	BIJCO Holdings Ltd.	1200000	3.35	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)					
				1700000	4.75
				1200000	3.35



in INR

5. INDEBTEDNESS		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year					
i) Principal Amount		1127000	178805254		17993254
ii) Interest due but not paid			-	-	-
iii) Interest accrued but not due				-	
Total (i+ii+iii)		1127000	178805254		17993254
Change in Indebtedness during the financial year					
Addition				-	
Reduction				-	
Net Change		NIL	NIL		NIL
Indebtedness at the end of the Financial year		NIL	NIL		NIL
Indebtedness at the end of the Financial year					
i) Principal Amount					
ii) Interest due but not paid		NIL	NIL		NIL
iii) Interest accrued but not due		NIL	NIL		NIL
Total (i+ii+iii)		1127000	178805254		17993254

6. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
Sl.No	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the Year				
	Directors				
1	K. Subba Rao	NIL	0.00	101	0.00
2	Y Ravinder Reddy	101	0.00	101	0.00
3	Kishore Jhunjhunwala	101	0.00	101	0.00



**7. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Wholetime Directors and/or Manager**

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager	
		K. Subba Rao	Total Amount
1	Gross Salary	1,320,000	1,320,000
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock option		
3	Sweat Equity		
	Commission		
4	- as % of profit		
	- others, specify...		
5	Others, Please specify*	31600	31600
	Total (A)	1351600	1351600
	Ceiling as per the Act		

\*includes Bonus and PF

**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Y. Ravinder Reddy	Kishore Jhunjhunwala	Sadhana Bhansali	
1	Independent Directors				
	Fee for attending board/committee meetings	20,000	10,000	12,500	42,500
	Commission				
	Others, please specify				
	Total (1)	20,000	10,000	12,500	42,500
2	Other Non-Executive Directors				
	Fee for attending board/committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B) = (1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				





C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Pradeep Kumar Baid	Company Secretary Sandeep Daga	Total
1	Gross Salary	1,320,000	1,200,000	2,520,000
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
b.	Value of perquisites u/s 17(2) Income Tax Act, 1961			
c.	Profits in lieu of salary under section 17(3) Income Tax Act, 1961			
2	Stock option			
3	Sweat Equity			
	Commission			
4	- as % of profit			
	- others, specify ...			
5	Others, Please specify*	31,100	31,100	62,200
	Total	1,351,100	1,231,100	2,582,200

\*includes Bonus and PF



8. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

A. COMPANY

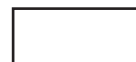
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	a. Sec 159 of 1956 b. Sec. 92 & 137(1) of 2013				
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	a. 621 A of 1956 b. 441 of 2013		317,125	RD/NCLT	NA

B. DIRECTORS

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	a. Sec 159 of 1956 b. Sec. 92, 129(2) & 137(1) of 2013				
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	a. 621 A of 1956 b. 441 of 2013		2,734,250	RD/NCLT	NA

C. OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty	a. Sec 159 of 1956 b. Sec. 92, 129(2) & 137(1) of 2013				
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	a. 621 A of 1956 b. 441 of 2013		367,125	RD/NCLT	NA



**ANNEXURE - III**

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

- A. CONSERVATION OF ENERGY:
1. The steps taken or impact on conservation of energy: -N.A.-
  2. The steps taken by the Company for utilizing alternate sources of energy: -N.A.-
  3. The Capital investment on energy conservation equipments: -N.A.-
- B. TECHNOLOGY ABSORPTION:
- i. The Efforts made towards technology absorption: NIL
  - ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: NIL
  - iii. Details of technology imported during the past 3 years: No technology has been imported during the past 3 years.
- a. The details of technology import: -NIL-
- b. The year of import: -NIL-
- c. Whether the technology has been fully absorbed: -NIL-
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL-
- iv. The expenditure incurred on Research and Development: -N.A.-
- C. FOREIGN EXCHANGE EARNINGS AND OUT GO:
1. The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs. in Thousands)

Particulars	March 31, 2017
Used	NIL
Earned	NIL

**ANNEXURE - IV**

Disclosure of Particulars of Contracts / Arrangements entered into by the Company

**Form No. AOC-2**

(Pursuant to section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:

1. There are no contracts / arrangements entered into by the Company with related parties which are not at arm's length basis.
2. There are no material contracts / arrangements entered into by the Company with related parties which are not at arm's length basis.
3. There were no materially pecuniary relationships or transactions of the non-executive director's vis-vis the Company.



**ANNEXURE - V**

Form No. MR-3

**Secretarial Audit Report**

For the Financial Year ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Prudential Sugar Corporation Ltd.

CIN: L15432TG1990PLC032731,

Akash Ganga, Plot No. 144, Sri Nagar Colony

Hyderabad 500073.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Prudential Sugar Corporation Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of M/s. Prudential Sugar Corporation Limited's 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 March 31, 2017, 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 March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
  - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee



Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable to the Company during the Audit Period;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities the audit period;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / propose to buyback any of its securities during the audit period;
6. Other laws applicable specifically to the Company namely:
- 1. Factories Act, 1948;
  - 2. Acts and Rules relating to Sugar industries including The Sugar Cess Act, 1982, The Sugar Development Fund Act, 1982, The Sugar (Packing & Marking) Order, 1970, The Sugar Cane (Control) Order, 1999;
  - 3. Insecticides Act, 1968;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India which was notified by the Central Government on April 23, 2015 and which was effect from July 1, 2015; and
- ii. The erstwhile Listing Agreement entered into by the Company with stock exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1st December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the matters specified in Annexure-1 to this Report.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Company Secretary / Managing Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to the matters specified in Annexure-1 to this Report.

**Prudential Sugar Corporation Limited**



Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

We further report that, based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that, during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

We further report that, the Company has not filed certain forms with ROC due to Company being marked as "having management dispute" during the year and the Company is in the process to file the forms along with additional fee with ROC which is specified in Annexure-A

**R.N. Goswami**

Place: Hyderabad  
Date: 27.02.2018

**R.N. Goswami & Co.**  
Company Secretaries  
FCS 1918, CP: 2267

This Report is to be read with our letter of even date which is annexed as Annexure-A and Annexure-B to the report and forms an integral part of this Report.

**Annexure-A to the Secretarial Audit Report**

Sl. Subject Matter No.	Form yet to be filled	Remarks
1 Approving Annual financial statements for the year ended March 31, 2015	Form MGT-14	Form yet to be filed
2 Approving Directors' Report for the year ended March 31, 2015	Form MGT-14	Form yet to be filed
3 Appointment of Internal Auditor	Form MGT-14	Form yet to be filed
4 Appointment of Secretarial Auditor	Form MGT-14	Form yet to be filed
5 Appointment of Cost Auditor	CRA-2	Form yet to be filed
6 Appointment of Chief Financial Year	MGT-14,DIR-12 and MR-1	Form yet to be filed
7 Report on AGM Form MGT-15	Not filed	
8 The Company has borrowed a loan of Rs.10cr from Vab Ventures Limited on dated 05.02.2015	Form MGT-14	Not filed
9 Annual Disclosure in respect of Regulation 30(1) & 30(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.	Not Disclosed	
10 Shareholding Pattern for the quarter of March and December of 2015-16 has not been submitted to BSE and the Shareholding Pattern of September quarter has been submitted to BSE but after the due date.	Not submitted with Stock exchange	
11 The Quarterly Financial Results of March, September and December of 2015-16 has not been complied as per Listing Agreement	Non Compliance	
12 Outcome of Board Meeting for financial results has not been intimated to BSE	Not submitted with Stock exchange	
12 Statement of Investor Complaint has not submitted in the prescribed Time	Complied in late	
13 Website of the Company	No functional website	
14 Regulation 40(9)- Certificate from PCS	Not submitted with Stock exchange	
15 Reconciliation of Share Capital Audit as per Regulation 55A of Listing Regulation	Not submitted with Stock exchange	
16 Publication of Unaudited Financial Results	Not Published. Intimations to Stock Exchange have been duly given	
17 E-Voting results of the 24th AGM of the Company.	Submitted to BSE after the prescribed time.	

**Prudential Sugar Corporation Limited**



**Annexure-B to the Secretarial Audit Report**

To,  
The Members,  
Prudential Sugar Corporation Ltd.  
CIN: L15432TG1990PLC032731,  
Akash Ganga, Plot No. 144  
Srinagar Colony  
Hyderabad 500073.

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 process 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 procedure 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.

R.N.Goswami  
**R.N. Goswami & Co.**

Place: Hyderabad  
Date: 27.02.2018

Company Secretaries  
FCS 1918, CP: 2267



**ANNEXURE – VI**

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. K. Subba Rao, Whole Time Director	6.93
2	Mr. Y Ravinder Reddy	NA
3	Mr. Kishore Jhunjunwala	NA
4	Ms. Sadhana Bhansali	NA

\* Mr. Y Ravinder Reddy, Mr Kishore Jhunjunwala, and Ms. Sadhana Bhansali, were paid sitting fees for attending the Meetings.

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, and Company Secretary in the financial year

S.No.	Name of the Director	Percentage increase in remuneration
1	Mr. K. Subba Rao, Whole Time Director	NIL
2	Mr. Vinod Baid, Director	NIL
3	Mr. Y. Ravinder Reddy	NA
4	Mr. Kishore Jhunjunwala	NA
5	Ms. Sadhana Bhansali	NA
6	Mr. Pradeep Kumar Baid, CFO	NIL
7	Mr. Sandeep Kumar Daga, Company Secretary	NIL

\* Mr. Y. Ravinder Reddy, Ms. Sadhana Bhansali, and Mr. Kishore Jhunjunwala were paid sitting fees for attending the Meetings.

\*\* There was no increase in Remuneration paid to Whole Time Director during the Financial Year ended 31st March 2017.

- iii. The percentage increase in the median remuneration of employees in the financial year.  
11.99%

- iv. The number of permanent employees on the rolls of company.

There are 351 permanent employees on the rolls of the Company as on 31st March, 2017.

- v. The explanation on the relationship between average increase in remuneration and company performance

S.No.	Average increase in remuneration	Company performance
1	No increase	Rs.-3,146,542 (Loss)



- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

S.No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended March 31, 2017
1	Rs.2,583,200	Rs.– 3,146,542 (Loss)

- vii. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer. (Company was suspended from trading by BSE)

Market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Company came with an Initial Public Offer in 21.11.1994 at the price of Rs10 per equity share. As on 31st March, 2017 the Market Quotation of the Company Share Price (Closing Price) is as follows: not applicable

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. NA

- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.

S. No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended March 31, 2017
1	Mr. K. Subba Rao, Whole Time Director	Rs. 1,351,600	Rs.– 3,146,542 (Loss)
2	Mr. Pradeep Kumar Baid Chief Financial Officer*	Rs. 1,351,100	Rs.– 3,146,542 (Loss)
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.12,31,600	Rs.– 3,146,542 (Loss)

- x. The key parameters for any variable component of remuneration availed by the directors  
Only Salary is paid upon recommendation of Nomination and Remuneration Committee.

- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. Mr. K MURALIDHAR CHOWDARY was appointed on 25.05.2016 as a President who drawing the salary per month INR 192,557/-

- xii. The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.



**Statement of Particulars of Employees Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

S. No.	Name & Designation	Remuneration Received	Nature of Employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held before joining the company	% of Equity Shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. K. Subba Rao Whole Time Director	Rs.1,351,600	Contractual	B.Tech. (Mech.), BOE 39 years	17.05.1995	68 years	Nizam Sugars Ltd.	Nil	None
2	Mr. Pradeep Kumar Baid* Chief Financial Officer	Rs.1,351,100	Permanent	B.Com., FCS 18 years	15.05.2001	39 years	T.T. Ltd.	Nil	None
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.1,231,600	Permanent	B.Com., ACS 22 years	20.04.2013	46 years	Prudential Management and Advisors Ltd.	Nil	None



**ANNEXURE – I**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2016-17**

**GLOBAL OUTLOOK**

Your Company is engaged in the business of manufacture of Sugar at its manufacturing factory of 2500 TCD situated at Prudential Nagar, P.O. Kuppedu, Nindra Mandal, Dist. - Chittoor, A.P. - 517 587.

**Cautionary Statement:**

Statements made in this report describing industry outlook as well as Company's plans, projections and expectations may constitute 'forward looking statements'. Actual results may differ materially from those either expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

**Global Sugar Scenario:**

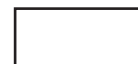
The global sugar deficit that has seen the sugar price soaring during last year is expected to fade away in the upcoming crop year. The world is headed towards a more balanced sugar market in the coming crop year 2017-18, after two years of short supplies. Good monsoon and higher prices have increased the sugar output in Brazil. However, the pace of growth in world demand for sugar is likely to slow in the coming year, amid disappointing growth in Asian demand and changing consumption behavior particularly decline in demand from the food and beverage industry. The Global Sugar Production is likely to increase by 6.9% in 2017-18 to 178.00 million tonnes with the expected consumption of 175.00 million tonnes. This surplus scenario is likely to bring down the sugar price in the international market.

**Indian Sugar Scenario:**

India is the largest consumer of sugar in the world and the 2nd largest producer of sugar next only to Brazil. The sugar industry is also the 2nd largest agro based industry after Textile and it employs about 50 million farmers. The fortune of the sugar industry depends upon the vagaries of the monsoon. After witnessing continuous excess production of sugar during the last 5 seasons, the production for the current season 2016-17 has come down to 200 lakh tonnes as compared to 251 lakh tonnes in the previous season. The sharp fall in the production was mainly on account of severe drought conditions that prevailed during last year in the major producing states like Maharashtra, northern Karnataka and Tamil Nadu.

The sugar production for the coming season 2017-18 is estimated at 250 lakh tonnes. On account of the substantial fall in the production, the closing stock at the end of the season has come down substantially. In order to meet the shortfall and to maintain stable price in the domestic market, the Government of India has permitted import of 5 lakh tonnes of duty free raw sugar to be imported by 30th June 2017. Considering the drought and the lower availability of stock, a major portion of this import was allocated to the mills in southern India. The Government of India may allow further imports if necessary to maintain reasonable stock and price level.

The all India sugar production for the coming season 2017-18 is expected to increase substantially to 250 lakh tonnes, the production in Tamil Nadu is expected to fall further to about 6 lakh tonnes as against the production of 10.10 lakh tonnes in the current season 2016-17. However, Andhra Pradesh is expected to register a slight increase in production in the current season and also in the coming sugar season 2017-18.



**Sugar cane price:**

The sugar cane price, continues to be regulated by the Central Govt. and State Governments. The fair and remunerative price fixed by Central Govt. for the season 2016-17 was Rs.230 per qtl. linked to a recovery of 9.5%.

**Ethanol:**

The national Renewable Energy Programme of blending Ethanol with Petrol has achieved substantial progress after the Govt. of India simplified the tendering process of Oil Companies by fixing the price of Ethanol in 2015. Further, the Ethanol Scheme was supported by exemption from Excise Duty. These measures have enabled the oil companies to achieve almost the blending target of 5% in 2016. However, the Govt. of India withdrew the excise duty exemption in August 2016 and also reduced the price for ethanol to Rs.39/ltr. plus taxes and transport from the previous price of Rs.48.50/ltr. The ethanol blending scheme needs to have long term stable pricing to achieve the 10% blending target supported also by the State Governments. Improvement in blending will not only reduce the pollution level but will also save substantial foreign exchange by reducing the oil imports.

**Opportunities and Threats:**

India, the world's largest consumer of sugar is the second largest producer of sugar in world after Brazil. Still the average per capital consumption of sugar in India is less as compared to the developed countries. While sustainability has been a cause for concern in cane agriculture, by 2030 the demand for sugar has been estimated at 36 million tons for which the cane production should be 500 million tonnes. This is 40% higher than the current production. While the land availability is likely to shrink for cane cultivation, the cane production needs to be increased to meet the ever increasing demand for sugar, power and ethanol.

**Risk Mitigation**

We are propagating technologies like micro irrigation and solar power for cultivation higher area within the available water sources. Further new technologies like single bud plantation and wider row plantations are propagated to the farmers for higher productivity and to reduce cost of cultivation. We are also focusing on the improvement of operational efficiency and cost reduction in all possible areas to remain competitive. The company has built excellent relationship over the years the local farming community. It has of course no control over agro-climatic risks and regulatory interventions.

**Risk specific to the Company**

It is also surrounded by other sugar mills that limits scope for major cane area expansion. Of late, its command area for cane has become increasingly susceptible to water stress.

**Risk Management**

Sugar being a common commodity, the risk in sugar manufacturing is both local as well as global. It needs a dynamic approach to run the business. To reduce the impact of cyclicity in business, the Company has taken a decision to expand its capacity to crush more cane available to our area from 2500 tcd to 4900 tcd and the same will be implemented for the sugar season 2016-2017. By this company can crush more cane available to its zone and diversion can be reduced.

**Internal Financial Control Systems and their adequacy**

The Company has established a system of internal control across all its business operations and for safeguarding the Assets. The function of Internal Audit is carried out by Independent firms of Chartered Accountants, who submit their Reports on a quarterly basis to the Management. These reports are also placed before the Audit Committee in its meetings and they are reviewed by the Audit Committee.

## Prudential Sugar Corporation Limited



The Board Audit Committee and the Management ensure that the internal financial control system operates effectively. The Internal Auditors review the adequacy of internal control systems and suggest necessary checks and balances to ensure and increase the effectiveness of the system. Clear policies have been laid down for approval and control of expenditure. Investment decisions involving capital expenditure are subjected to detailed appraisal and review. Capital and revenue expenditure are monitored and controlled with reference to approval budgets.

### Human Resources

Human resources are the most important resources in an organization and need to be used efficiently, because success, stability and growth of an organization depends on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. In the final analysis, it is the people (i.e. employees) who produce promising results and generate a climate conducive to the growth and development of the organization.

### Discussion on Financial Performance with respect to Operational Performance

#### Operational Performance

	Year ended	
	2016-17	2015-16
Number of days	102	117
Average crushing rate (TCD)	2429	2524
Cane crushed (T)	247810	295328
Recovery (%)	9.25	7.43
Sugar produced (QTs)	204480	219380

Marginal rise in cane volume and marginal improvement in sugar recovery have however been below the long term average due to the continuing impact of drought in the region.

#### Financial Performance

Turnover indeed declined further during the year and the fall is moderate compared to the peak achieved in 2010-11. The only saving grace in the year was the buoyancy in the price of Molasses. Operating margins were positive in line with the industry.

Interest cost was lower by reason of interest subvention facility available on the SEFASU Loan. Depreciation is lower due to the impact of new Law as per Schedule II of the Companies Act, 2013. In the end, the company has registered a Net Profit after tax of Rs.1109.30 Lakhs as against the net Loss of Rs.1699.10 Lakhs in the previous year.

#### Cautionary Statement

Statements made in the Report describing industry outlook as well as Company's plans, projections and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

On behalf of the Board  
for **Prudential Sugar Corporation Limited**

**K. Subba Rao**  
Whole Time Director  
(DIN 02552019)

Place : Hyderabad  
Date : 26.10.2017



## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the erstwhile Listing Agreement and Chapter IV of Listing Regulation, 2015 with the Stock Exchanges in India, compliance with the requirements of Corporate Governance is set out below:

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

PRUDENTIAL SUGAR CORPORATION LIMITED ("PSCL"/the "Company") is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

### **2. BOARD OF DIRECTORS :**

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2017, the Board of Directors ("Board") comprises of Five Directors, of which 1 is Executive 1 is Non-Executive Directors, and remaining 3 (Three) are independent directors. The chairman of the Board is Non Executive Director (Promoter).

The composition and category of the Board of Directors is as follows:

S.No.	Name of the Director	Designation	Category
1	Vinod Baid	Chairman	Non Executive Director
2	K. Subba Rao	Whole Time Director	Executive Director (Non Promoter)
3	Y. Ravinder Reddy	Director	Independent Director
4	Sadhana Bhansali	Director	Independent Director (Woman Director)
5	Kishore Jhunjhunwala	Director	Independent Director

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except Independent Directors were liable to retire by rotation. None of the directors are members of more than seven committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

## Prudential Sugar Corporation Limited



The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March, 2017 is given below

Name of the Director	No. of other Directorships*	In other Public Companies**	
		Membership	Chairmanship
Vinod Baid	2	NIL	NIL
K. Subba Rao	1	NIL	NIL
Y Ravinder Reddy	4	2	2
Sadhana Bhansali	1	2	NIL
Kishore Jhunjunwala	7	NIL	NIL

Notes:

- Other Directorships exclude foreign companies, private limited companies and alternate directorships.
- Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other Committee Memberships.

b) **Board Procedure:**

During the year under review Board met eight times on 27.04.2016, 30.05.2016, 13.08.2016, 29.08.2016, 24.09.2016, 14.11.2016, 02.12.2016 and 14.02.2017. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of the Director	Number of Board Meetings		Attendance at AGM held on December 30, 2016
	Held	Attended	
Vinod Baid	8	4	Yes
K. Subba Rao	8	8	Yes
Y. Ravinder Reddy	8	8	No
Sadhana Bhansali	8	5	No
Kishore Jhunjunwala	8	4	No

The company places before the Board all those details as required under Schedule-V of the listing Regulation. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The chairman appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.





**c. Disclosure of relationship between Directors inter-se: -NA-**

**Independent Directors meeting**

Schedule IV of the Companies Act, 2013 and the Rules under it mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. It is recommended that all the independent directors of the Company be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the Board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

Even before the Companies Act, 2013 came into effect, our Board's policy required our independent directors to hold quarterly meetings attended exclusively by the independent directors. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman.

**3. COMMITTEES OF THE BOARD:**

The Company currently has the following Committees of the Board:

- a. Audit Committee;
- b. Nomination and Remuneration Committee; and
- c. Stakeholders Relationship, Grievance and Share Transfer Committee.

**a. Audit Committee**

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings.

As on 31st March 2017 the committee comprised of three independent directors and one executive director, all of whom are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitee to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The



composition of the audit committee is as per and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 30th December, 2016. The previous Annual General Meeting ("AGM") of the Company was held on 30th December, 2016 and was attended by Mr. Y. Ravinder Reddy, Chairman of the audit committee.

ρ Audit Committee meetings :

- Four Audit Committee Meetings were held during the year ended March 31, 2017. The maximum time gap between any of the two meetings was not more than four months.
- The Audit Committee meetings were held on 30th May 2016, 13th August 2016, 14th November, 2016 and 14th February, 2017.

Composition of the Audit Committee and the details of meetings held and attended by its members are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Y. Ravinder Reddy	Chairman	4	4
Mr. Kishore Jhunjunwala	Member	4	3
Mr. K. Subba Rao	Member	4	4
Ms. Sadhana Bhansali	Member	4	2

**b. Nomination and Remuneration Committee**

ρ Composition:

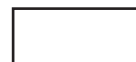
- The Nomination and Remuneration Committee was constituted by the Board with one Executive Director and 3 Independent Directors with Independent Director as its Chairman.
- The Minutes of the Meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

ρ Composition of the Committee is given below:

Name of the Director	Designation
Mr. Y. Ravinder Reddy	Chairman
Ms. Sadhana Bhansali	Member
Mr. K. Subba Rao	Member
Mr. Kishore Jhunjunwala	Member

ρ Brief description of terms of reference

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- carry on the evaluation of every director's performance;



- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

ρ Nomination and Remuneration Committee meetings

- During the period from April 1, 2016 to March 31, 2017, Nomination and Remuneration Committee Meetings were held on 30th May 2016, 14th August 2016, 14th November, 2016 and 14th February, 2017.

Composition of the Nomination and Remuneration Committee and the details of meetings held and attended by its members are given below:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Y Ravinder Reddy	Chairman	4	4
Ms. Sadhana Bhansali	Member	4	2
Mr. K. Subba Rao	Member	4	4
Mr. Kishore Jhunjunwala	Member	4	3

ρ Nomination and Remuneration policy

- The compensation of the executive directors comprises of fixed component and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the executive directors is periodically reviewed and suitable revision is recommended to the Board by the committee.
- The Non-executive directors are paid sitting fees for attending meetings of Board/Committee.

ρ Details of remuneration to all the Directors

Following are the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2017.

Name of the Director	Amount Rs.
Mr. Vinod Baid	—
Mr. K. Subba Rao	—
Mr. Y. Ravinder Reddy	20,000
Ms. Sadhana Bhansali	12,500
Mr. Kishore Jhunjunwala	10,000

**Prudential Sugar Corporation Limited**

The Remuneration paid to the Managing Director and Whole-time Directors during the year is as follows:

Name of the Director and Designation	Salary Rs.	Benefits Rs.	Bonuses Rs.	Pension Rs.	Commission Rs.	Service Contracts	Notice Period	Total Rs.
K. Subba Rao	13,20,000	22,100	9,500	-	-	-	As per the Rules of the Company	13,51,600

There were no severance fees, stock option plan or performance linked incentive for the Executive/Non-Executive Directors. The appointment of Whole Time Director is made for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

ρ Shares held by Non-Executive Directors

The number of equity shares of the Company held by Non-Executive Directors, as on March 31, 2017 are as follows:

Name of the Director	No. of Equity Shares (face value of Rs.1 each) held in the Company
Mr. Y. Ravinder Reddy	NIL
Ms. Sadhana Bhansali	NIL
Mr. Kishore Jhunjhunwala	NIL

c. Stake Holders Relationship, Grievance and Share Transfer Committee

ρ Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. Y. Ravinder Reddy	Chairman
Ms. Sadhana Bhansali	Member
Mr. Kishore Jhunjhunwala	Member
Mr. K. Subba Rao	Member

ρ Terms of Reference

- Stake Holders Relationship, Grievance and Share Transfer Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

ρ Name and designation of Compliance Officer:

Mr. Sandeep Kumar Daga, Company Secretary & Compliance Officer

Email-id for Investor Grievances: pscl.secretarial@gmail.com

ρ Number of Shareholders complaints received so far.:

- During the year ended March 31, 2017 the Company has received 4 complaints and the company is process to resolve, the same were pending before court.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.



Name of the Director	Category	Number of Meetings	
		Held	Attended
Mr. Y Ravinder Reddy	Independent & Non-Executive Director	4	4
Ms. Sadhana Bhansali	Independent & Non-Executive Director	4	2
Mr. Kishore Jhunjunwala	Independent & Non-Executive Director	4	3
Mr. K. Subba Rao	Executive Director	4	4

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES

#### 4. GENERAL BODY MEETINGS:

- The details of date, location and time of the last three Annual General Meetings held are as under:

Location and time where last three Annual General Meetings were held are given below:

Financial Year ended	Date	Time	Venue
31.03.2014	30.09.2014	04.00 PM	Akash Ganga, Plot No. 144 Srinagar Colony, Hyderabad - 500 073
31.03.2015	28.12.2015	02.00 PM	HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094
31.03.2016	30.12.2016	11.00 AM	HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094

- Special Resolutions passed during the previous three Annual General Meetings:

i. 25th Annual General Meeting – December 30, 2016

Appointment of Whole Time Director:

Special Resolution was passed pursuant to the provisions of Sections 196, 197, 203, 310 and read with Schedule V and appointed Mr. K.Subba Rao as Whole Time Director of the company w.e.f. 02.09.2016 for the period of 3 Years.

ii. 24th Annual General Meeting – December 28, 2015 - NIL

iii. 23rd Annual General Meeting – September 30, 2014



- a. Authorisation to the Board of Directors to borrow monies beyond the paid-up capital and free reserves pursuant to Section 180(1)(c) of the Companies Act, 2013.
- b. Authorisation to the Board of Directors to create mortgage/charge/pledge/Hypothecation on the properties of the Company for securing loans etc., pursuant to Section 180(1)(a) of the Companies Act, 2013.

iv. Special resolution passed last year through postal ballot:

The following Special resolution through postal ballot during the year

Sale/Transfer of the Company's Sugar Business on a going concerned basis under Section 180(1)(a) and Section 110 of the Companies Act, 2013, and the resolution was passed with requisite majority.

**5. DISCLOSURES:**

**a. Related party transactions**

During the year ended March 31, 2017, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

**b. Details of non-compliance etc.**

A Statement of Compliance with all Laws and Regulations as certified by the Director and Whole Time Director is placed at periodic intervals for review by the Board.

The company has not submitted the Clause 41 for the 2 quarter during the financial year and Clause 47 (C) for the half year ended 30th September 2016 with Stock Exchange.

**c. Disclosure of Accounting Treatment:**

The Company has followed the accounting standards in the preparation of its financial statements.

**d. Whistle Blower policy**

The Board of Directors of the Company had adopted the Whistle Blower Policy. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct policy.

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company: [www.prudentialsugar.com](http://www.prudentialsugar.com)

The chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2017.

**e. Board Disclosures - Risk Management**

The Company has constituted Risk Management Committee and Risk Management Policy which has been adopted by the Board of Directors. Currently, the Company's risk management approach comprises of the following:



- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks have been prioritized through a company-wide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company had appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The details of Risks identified and mitigation measures undertaken are presented to the Board of Directors and the Audit Committee on a quarterly basis. The Board and the Audit Committee provides oversight and review the risk management policy periodically.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Directors' Report.

**f. Code of Conduct**

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis.

**g. CEO and CFO Certification**

The Whole Time Director and the CFO have furnished a Certificate to the Board for the year ended 31.03.2017 as required by SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, and is separately annexed.

**h. Proceeds from public issues, rights issues, preferential issues, etc.**

During the year ended March 31, 2017, there were no proceeds from public issues, rights issues, preferential issues, etc.

**i. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2016-17. Separate persons to the post of Chairman and Executive Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.

**j. Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March, 2017 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 18629089 equity shares representing 52.11% of the paid up equity capital have been dematerialized as on 31st March, 2017.



**k. Details about familiarization of programme.**

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events as per Listing Regulation, Whistle blower policy, and Risk Management Policy.

The Statutory Auditors and Internal Auditors of the Company have made a presentation to the Board of Directors with regard to provisions of Companies Act, 2013 and Listing Regulation, 2015 and its impact on the Company. Further Statutory Auditors and Senior Management will make a presentation to the Board of Directors on regulatory changes while approving the Quarterly Financial Results.

Website: [www.prudentialsugar.com](http://www.prudentialsugar.com) Investor Relations

**j. Related Party Transactions policy.**

In terms of the listing Regulation, 2015, the Board of Directors of the Company have adopted a policy to determine Related Party Transactions.

The policy is placed on the website of the company [www.prudentialsugar.com](http://www.prudentialsugar.com)

**6. MEANS OF COMMUNICATION**

- a. Quarterly results: Quarterly financial results have been submitted with Stock exchanges
- b. Official news releases along with quarterly results are displayed on the Company's website: [www.prudentialsugar.com](http://www.prudentialsugar.com)

The Company presentations made to the investors/ analysts are placed on the Company's website: [www.prudentialsugar.com](http://www.prudentialsugar.com)

- c. Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.

**7. GENERAL SHAREHOLDER INFORMATION**

- a. Annual General Meeting: 26th Annual General Meeting

Date: 31.03.2018

Time: 11:30 a.m.

Venue: HMT Bearings Officers' Colony Community Function Hall,  
IV Avenue Road, Sainikpuri, Hyderabad - 500 094

- b. Dates of Book Closures: 27th March, 2018 to 31st March, 2018 (both days inclusive)

- c. Dividend Payment Date : -NIL-



## Prudential Sugar Corporation Limited



- d. Listing on Stock Exchange: Company's equity shares are listed at:
- |  |            |
|--|------------|
| Name and Address of the Stock Exchange                                     | Scrip Code |
| BSE Limited,<br>Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai - 400 001. | 500342     |
- Presently, the revocation of suspension of listing by the Exchange is in process.
- e. Market Price Data: High and low during each month from April 1, 2016 to March 31, 2017. : Not Applicable since the company under suspension of trading
- f. Registrar & Share Transfer Agents:
- (for Shares held in both Physical and Demat mode)
- M/s.R&D Infotech Private Limited  
1st Floor, 7A, Beltala Road,  
Kolkata - 700 026. West Bengal.  
Phone No. 033 - 2419 2641/2642
- g. Share transfer System and Dematerialization of Shares:
- SEBI vide its Circular No. CIR/MIRSD/8 /2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.
- Any transferee who wishes to dematerialize the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.
- All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days of receipt.
- h. Distribution of Share holding

Table - I (Distribution of holdings)

Share holding of Nominal value of Rs.		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10360	89.32	20825500	5.82
5,001 —	10,000	546	4.71	4627950	1.29
10,001 —	20,000	313	2.70	4825290	1.35
20,001 —	30,000	79	0.68	2006160	0.56
30,001 —	40,000	81	0.70	3086500	0.86
40,001 —	50,000	35	0.30	1683990	0.47
50,001 —	1,00,000	89	0.77	7077460	1.98
1,00,001	and above	96	0.83	313387150	87.66
Grand Total		11599	100.00	357520000	100.00

**i. Shareholding Pattern**

Category	No. of shares held	Percentage of shareholding
1 Promoters/Directors/ Associates	25174106	70.41
2 Mutual Funds and UTI	341500	0.96
3 Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	12900	0.04
4 FIIs	-	-
5 Private Corporate Bodies	3872564	10.83
6 Indian Public	6350930	17.76
7 NRIs / OCBs	-	-
8 Others	-	-
<b>Total</b>	<b>35752000</b>	<b>100.00</b>

**j. Dematerialization of Shares & Liquidity**

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 18629089 equity shares were dematerialized representing 52.11% of the total paid up equity share capital of the Company as on March 31, 2017.

ISIN: INE024D01016

**k. Plant Location:**

"Prudential Nagar" Koppedu Post,  
Nindra Mandal,  
Chittoor District - 517 587,  
Andhra Pradesh (India)  
Ph: +91-8576 271093, 271202  
Fax: +91-8576 270201

**l. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any GDRs/ADRs and there are no outstanding warrants or any Convertible instruments.

**m. Address for Correspondence:**

"AKASH GANGA" Srinagar Colony,  
Hyderabad - 500 073  
040-23746451 & Fax No.040-66822871  
E-mail: pscl.secretarial@gmail.com  
Website: www.prudentialsugar.com

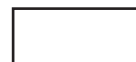
On behalf of the Board of Directors  
for **Prudential Sugar Corporation Limited**

**K. Subba Rao**

Whole Time Director  
(DIN 02552019)

Place : Hyderabad  
Date : 26.10.2017

**Prudential Sugar Corporation Limited**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
PRUDENTIAL SUGAR CORPORATION LIMITED

We have examined all the relevant records of Prudential Sugar Corporation Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations/Listing Agreement. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied.

Place : Hyderabad  
Date : 26.10.2017

**Ramesh Kumar B.**  
Chartered Accountant

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**CEO AND CFO CERTIFICATE**

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are no:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place : Hyderabad  
Date : 26.10.2017

For Prudential Sugar Corporation Limited  
**K. Subba Rao**  
Whole Time Director

**Anit Surana**  
Chief Financial Officer



**INDEPENDENT AUDITORS' REPORT**

To  
The Members,  
**PRUDENTIAL SUGAR CORPORATION LIMITED**  
Hyderabad

**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of Prudential Sugar Corporation Ltd (the company), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information, [in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Kolkata.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Broad of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of act read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also included maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion on the standalone Financial Statements.

#### **Basis for Qualified Opinion**

- \* Regarding Business Transfer Agreement with Natems Sugar Pvt Ltd pending due to legal order and other conditions, Refer Note No.23 (d) - impact on the same on Assets/Liabilities and loss of the company is unascertained
- \* The company has not provided interest on accrual basis / certain liabilities, Refer Note No.23 (a), the impact is that the Loss for the year is understated by Rs. 102.33 lacs and cumulative impact is that the liabilities are understated by Rs. 1419.79 Lacs.
- \* The Company did not redeem the 16% Redeemable Cumulative preference shares as per the terms of issue, and did not provide for arrears of dividend thereon, Refer Note No. 23 (a) (4), the impact of which is that the Current Liabilities are understated by Rs. 408 Lacs and the Capital is overstated by Rs. 408 Lacs.
- \* The company has not accounted the provisions for retirement benefits as per AS-15, Refer Note 23(g) , the impact of which is unascertained.
- \* The Balance of Trade Receivables, Trade payables, Secured Loans, Unsecured Loans, Loans and advances, Other Current assets and Current Liabilities are subject to confirmation/ reconciliation as indicated in Note No. 23 (f), the impact of which is unascertained.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter in the Basis for Qualified Opinion paragraph above, the aforesaid Standalone Financial Statements give the information required by the 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 31st March 2017 and its Loss and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in the Paragraph 3 and 4 of the Order, to the extent applicable
2. 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 the 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 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 Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

**Prudential Sugar Corporation Limited**



- e. On the basis of the written representations received from the Directors as on 31st March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act; and
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinions and to the best of our information and according to the explanations given to us;
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement - Refer Note No.23 (a) 1 to 7 to the financial statements;
  - ii. The company did not have any long-term contracts, including derivative contracts, that requires a provision for material foreseeable losses in these financial statements; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **Laxminiwas & Jain**  
Chartered Accountants  
Firm Registration No. 001859S

**Smt. Sharada G. Patil**  
Partner

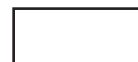
Place : Hyderabad  
Date : 26.10.2017



**Annexure “A” to the Independent Auditors’ Report of even date on the Standalone Financial Statements of Prudential Sugar Corporation Limited**

The annexure referred to in Paragraph 1 under heading “Report on Other Legal Regulatory Requirements” of our report of even date:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. According to information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii. The management has conducted physical verification of inventory at suitable intervals during the year and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied by the company.
- v. According to the information and explanations given to us, during the year the company has not accepted fresh deposit, however a sum of Rs.1.12 crores accepted in earlier years is outstanding for which necessary compliance are yet to be done.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of Statutory dues:
  - a. The company is generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other Statuary Dues to the appropriate authority and there were Rs.330.65 lacs and Rs. 101.91 lacs payable on account of Purchase Tax and Income Tax respectively which were in arrears as at 31st March 2017 for a period of more than 6 months from the date they became payable.
  - b. The company has not deposited Sales Tax of Rs.11.15 lacs and Purchase Tax of Rs.1245.02 lacs and Income Tax of Rs. 101.91 lacs as on 31st March,2017 on account of Disputes.
- viii. The company has not defaulted in repayment of loan for borrowing to a financial institution, bank, Government or dues to debenture holders except Rs.11.27 lacs payable to IIBI.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in nature of terms loans were applied for the purposes for which those were raised.
- x. Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.



- xi. According to the information and explanations given to us, The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Companies Act.
- xii. According to the information and explanations given to us, The company is not a Nidhi Company and hence clause regarding complying with the provisions of the Nidhi Rules, 2014 is not applicable to the company.
- xiii. According to the information and explanations given to us, All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us, The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The Company has not entered into any non-cash transactions with Director or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-1A of The Reserve Bank of India Act, 1934.

**Annexure “B” to the Independent Auditors’ Report of even date on the Standalone Financial Statements of Prudential Sugar Corporation Limited**

Report on the Internal Financial Controls 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 Prudential Sugar Corporation Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on the date.

**Management’s Responsibility for Internal Financial Controls**

The Company's Management 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 judgment, including the assessment of the risks of material misstatement of 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 controls 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. pertains to the maintenance of the 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 the 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 Control Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement 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 and procedures may deteriorate.

**Opinion**

In our opinion 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, 2017, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of BNR Udyog Limited., which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report as of date expressed an qualified opinion thereon.

Place : Hyderabad  
Date : 26.10.2017

For **Laxminiwas & Jain**  
Chartered Accountants  
Firm Registration No. 001859S  
**Smt. Sharada G. Patil**  
Partner  
Membership No. 015332

**Prudential Sugar Corporation Limited**



**BALANCE SHEET AS AT 31st MARCH, 2017**

PARTICULARS	Notes	As at 31.03.2017 In Rupees	As at 31.03.2016 In Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
Share capital	1	372,070,000	372,070,000
Reserves and surplus	2	(131,531,304)	(128,385,682)
		<u>240,538,696</u>	<u>243,684,318</u>
<b>2. Non-current liabilities</b>			
Long-term borrowings	3	1,127,000	1,127,000
Other Long term liabilities		—	—
Long-term provisions	4	8,021,230	8,021,230
		<u>9,148,230</u>	<u>9,148,230</u>
<b>3. Current liabilities</b>			
Short-term borrowings	5	190,005,254	165,465,200
Trade payables	6	219,217,727	239,454,827
Other current liabilities	7	918,331,372	505,395,693
		<u>1,327,554,352</u>	<u>910,315,720</u>
<b>TOTAL (of 1,2,3)</b>		<u>1,577,241,278</u>	<u>1,163,148,268</u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1. Fixed assets</b>			
Tangible assets	8	220,378,744	240,459,504
Intangible assets		—	—
Capital work-in-progress		241,800,536	18,214,899
Non-current investments	9	255,528,005	255,528,005
Deferred tax assets (net)		153,984,426	152,594,001
Long-term loans and advances		—	—
		<u>871,691,711</u>	<u>666,796,409</u>
<b>2. Current assets</b>			
Inventories	10	375,830,018	238,772,483
Trade receivables	11	36,108,418	73,769,367
Cash and cash equivalents	12	64,932,107	32,578,278
Short-term loans and advances	13	228,679,025	151,231,732
Other current assets		—	—
		<u>705,549,568</u>	<u>496,351,860</u>
<b>TOTAL (of 1,2)</b>		<u>1,577,241,278</u>	<u>1,163,148,269</u>
<b>III. SIGNIFICANT ACCOUNTING POLICIES</b>	22		
<b>NOTES TO ACCOUNTS</b>	23		

The accompanying notes are an integral part of the Financial Statements.

For and on behalf of the Board		As per our report of even date	
<b>Sandeep Daga</b>	<b>Anit Surana</b>	For <b>Laxminiwas &amp; Jain</b>	
Company Secretary	Chief Financial Officer	Chartered Accountants	
		Firm Regn. No. 001859S	
Place : Hyderabad	<b>K. Subba Rao</b>	<b>Y. Ravinder Reddy</b>	<b>Smt. Sharada G. Patil</b>
Date : 26.10.2017	Whole Time Director	Director	Partner
			Membership No. 015332

**Prudential Sugar Corporation Limited**



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017**

PARTICULARS	Notes	Year ended 31.03.2017 In Rupees	Year ended 31.03.2016 In Rupees
<b>I. Income</b>			
Revenue from operations	14	737,783,517	981,798,471
Less: Excise Duty		42,164,078	37,736,928
		<u>695,619,439</u>	<u>944,061,544</u>
Other income	15	4,969,062	4,810,772
<b>Total Revenue (I)</b>		<u>700,588,501</u>	<u>948,872,316</u>
<b>II. Expenses:</b>			
Cost of materials consumed	16	625,778,611	733,262,738
Purchases of Stock-in-Trade		—	—
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	17	(129,245,695)	266,066,001
Employee benefits expense	18	92,256,531	73,621,086
Finance costs	19	13,061	17,855,190
Depreciation and amortization expense	20	21,947,592	18,452,771
Other expenses	21	94,375,368	90,292,014
<b>Total Expenses (II)</b>		<u>705,125,468</u>	<u>1,199,549,800</u>
<b>Profit before Exceptional, Extraordinary items &amp; Taxation</b>		<b>(4,536,967)</b>	<b>(250,677,485)</b>
Tax of Earlier Years		—	—
Less: Deferred Tax Assets		(1,390,425)	(80,767,981)
<b>Profit / (Loss) for the year from continuing operations</b>		<u><b>(3,146,542)</b></u>	<u><b>(169,909,504)</b></u>
Earnings per equity share:			
Basic		<b>(0.094)</b>	(5.13)
Diluted		<b>(0.10)</b>	(5.14)
<b>III. SIGNIFICANT ACCOUNTING POLICIES</b>	<b>22</b>		
<b>NOTES TO ACCOUNTS</b>	<b>23</b>		

The accompanying notes are an integral part of the Financial Statements.

For and on behalf of the Board		As per our report of even date	
<b>Sandeep Daga</b>	<b>Anit Surana</b>	<b>For Laxminiwas &amp; Jain</b>	
Company Secretary	Chief Financial Officer	Chartered Accountants	
		Firm Regn. No. 001859S	
Place : Hyderabad	<b>K. Subba Rao</b>	<b>Y. Ravinder Reddy</b>	<b>Smt. Sharada G. Patil</b>
Date : 26.10.2017	Whole Time Director	Director	Partner
			Membership No. 015332

**Prudential Sugar Corporation Limited****CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

	31.03.2017 (Rs. in lakhs)	31.03.2016 (Rs. in lakhs)
<b>Cash flow from Operating activities</b>		
Net Profit before Tax and Extraordinary items	(45.37)	(2506.77)
Adjustments for :		
Depreciation	219.48	184.52
Interest paid	0.13	178.55
Other Income	(49.69)	(48.10)
Operating Profit before working capital changes	<u>124.55</u>	<u>(2,191.80)</u>
Adjustments for:		
Decrease/(Increase) in Trade and Other Receivables	376.61	(1,111.30)
Decrease/(Increase) in inventories	(1,370.58)	2,616.36
(Decrease)/Increase in Trade Payables/current liabilities	3,926.99	1,653.86
Cash generation from operations (A)	<u>3,057.57</u>	<u>967.12</u>
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed assets	(18.67)	(756.25)
Capital Work in Progress	(2,235.86)	(182.15)
Proceeds from sale of fixed assets	—	—
Other Income	49.69	48.10
Net Cash flow from Investing activities (B)	<u>(2,204.83)</u>	<u>(890.30)</u>
<b>Cash flow from Financing activities</b>		
Increase/(Decrease) of Long Term Borrowings	(774.46)	(1260.00)
Increase/(Decrease) of Short Term Borrowings	245.40	1380.24
Interest paid	(0.13)	(178.55)
Investments	—	—
Net Cash flow from Financing activities (C)	<u>(529.19)</u>	<u>-58.31</u>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	<b>323.55</b>	<b>18.51</b>
<b>Add: Opening Cash and cash equivalents</b>	<b>325.78</b>	<b>307.27</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>649.33</b>	<b>325.78</b>

For and on behalf of the Board

As per our report of even date

**Sandeep Daga**  
Company Secretary**Anit Surana**  
Chief Financial OfficerFor **Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859SPlace : Hyderabad  
Date : 26.10.2017**K. Subba Rao**  
Whole Time Director**Y. Ravinder Reddy**  
Director**Smt. Sharada G. Patil**  
Partner  
Membership No. 015332

## Prudential Sugar Corporation Limited



**As at 31.03.17**  
**In Rupees**

**As at 31.03.16**  
**In Rupees**

### 1. SHARE CAPITAL

#### Authorised

5,00,00,000 Equity Shares of Rs.10 each	<b>500,000,000</b>	500,000,000
50,00,000 16% Cum.Redemable Preference shares of Rs.50 each	<b>250,000,000</b>	250,000,000
	<b><u>750,000,000</u></b>	<b><u>750,000,000</u></b>

#### Issued

a. 1,54,06,400 Equity shares of Rs.10 each	<b>154,064,000</b>	154,064,000
b. 1,00,00,000 Equity shares of Rs.10 each issued at a premium of Rs.10 each	<b>100,000,000</b>	100,000,000
c. 10345600 Equity Shares of Rs.10 each (Converted from 2586400 Equipref Shares of Rs.40 each)	<b>103,456,000</b>	103,456,000
d. 20000 16% Cum.Redemable Pref. Shares of Rs.40 each (Rs.10 converted into Equity)	<b>800,000</b>	800,000
e. 1000000 16% Cum.Redemable Pref.Shares of Rs.50 each (Redeemable at any time on or before 10/02/2006)	<b>50,000,000</b>	50,000,000
	<b><u>408,320,000</u></b>	<b><u>408,320,000</u></b>

#### Subscribed & Fully Paid up

1,54,06,400 Equity shares of Rs.10 each	<b>154,064,000</b>	154,064,000
1,03,45,600 Equity shares of Rs.10 each (Converted from 2586400 Equipref Shares of Rs.40 each)	<b>103,456,000</b>	103,456,000
20,000 16% Cum.Redemable Pref. Shares of Rs.40 each (Rs.10 converted into Equity)	<b>800,000</b>	800,000
65,00,00 Equity shares of Rs.10 each	<b>65,000,000</b>	65,000,000
	<b><u>323,320,000</u></b>	<b><u>323,320,000</u></b>

#### Subscribed but not fully Paid up

35,00,00 Equity shares of Rs.10 each issued at a premium of Rs.10 each called up and paid up @ Rs.2.50	<b>8,750,000</b>	8,750,000
1000000 16% Cum.Redemable Pref.Shares of Rs.50 each Rs.40 per share each called up and paid up	<b>40,000,000</b>	40,000,000
<b>Total</b>	<b><u>48,750,000</u></b>	<b><u>48,750,000</u></b>

1.1. The Opening and Closing balance of the Subscribed and Paid-up equity shares of the company are same, hence, the reconciliation between opening number and closing number of shares does not arise.

### 1.2. Details of Shareholders holding more than 5% fully paid shares in the company

S. Name of Shareholder No.	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Vab Ventures Limited	<b>10,477,599</b>	<b>29.31</b>	10,477,599	29.31
2. Premier Fiscal Services Pvt. Ltd.	<b>3,400,500</b>	<b>9.51</b>	3,400,500	9.51
3. Chadalavada Krishna Moorthy	<b>2,125,000</b>	<b>5.94</b>	2,125,000	5.94
4. Sucharitha Manda	<b>2,000,000</b>	<b>5.59</b>	2,000,000	5.59

**Prudential Sugar Corporation Limited**



As at 31.03.17  
In Rupees

As at 31.03.16  
In Rupees

**2. RESERVES AND SURPLUS**

**A. Capital Reserves**

Opening Balance	<b>1,500,000</b>	1,500,000
(+) Current Year Transfer	—	—
(-) Written Back in Current Year	—	—
Closing Balance	<b>1,500,000</b>	1,500,000

**B. Securities Premium Account**

Premium @ Rs.10/- on 65,00,000 Equity Shares	<b>65,000,000</b>	65,000,000
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**C. Surplus/(Deficit) in the Statement of Profit and Loss**

Opening balance	<b>(194,884,762)</b>	(24,976,178)
(+) Net Profit/(Net Loss) For the current year	<b>(3,146,542)</b>	(169,909,504)

Closing Balance	<b>(133,031,304)</b>	(129,885,682)
<b>Total</b>	<b>(131,531,304)</b>	(128,385,682)

**3. LONG TERM BORROWINGS**

**a. Term loans**

Rupee loan from banks - IIBI Limited	<b>1,127,000</b>	1,127,000
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<b>Total</b>	<b>1,127,000</b>	1,127,000
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**Notes**

- 3.1 Loan from IIBI is Secured by 1st Charge on the Fixed Assets of the company and guaranteed by one of the director and one former director

**4. PROVISIONS (Long Term)**

**a. Provision for employee benefits**

Superannuation (unfunded)	<b>8,021,230</b>	8,021,230
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<b>Total</b>	<b>8,021,230</b>	8,021,230
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## Prudential Sugar Corporation Limited



**As at 31.03.17**  
**In Rupees**

**As at 31.03.16**  
**In Rupees**

### 5. SHORTTERM BORROWINGS

#### a. Loans and advances

From Others	11,200,000	11,200,000
From Corporate	178,805,254	154,265,200
	190,005,254	165,465,200
<b>Total</b>	<b>190,005,254</b>	<b>165,465,200</b>

5.1 The above borrowings from banks were Secured by Hypothecation of Inventories, Book debts and also secured by 2nd charge on all the fixed assets of the company, further guaranteed by one Director/one former director and three corporate bodies.

### 6. TRADE PAYABLES

Trade Payables	219,217,727	239,454,827
	219,217,727	239,454,827

### 7. OTHER CURRENT LIABILITIES

a. Interest accrued but not due on borrowings	—	—
b. Accrued Salaries and Benefits	7,651,609	9,376,679
c. Statutory Dues	33,659,717	36,829,901
d. Others	23,506,562	33,475,630
f. Advance against purchase consideration	280,000,000	230,000,000
g. Advance others (Corporate)	573,513,483	195,713,483
<b>Total</b>	<b>918,331,372</b>	<b>505,395,693</b>



**8. FIXED ASSETS**

(In Rupees)

Name of the Asset	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions during the period	Deductions/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2016
<b>A Tangible Assets</b>									
Land	16,343,937	—	—	16,343,937	—	—	—	—	16,343,937
Building	157,717,744	—	—	157,717,744	88,607,853	6,705,116	—	95,312,969	69,109,891
Plant & Machinery	500,828,025	1,249,111	—	502,077,136	353,793,865	14,984,207	—	368,778,072	147,034,161
Furniture/Office Equipment	31,488,707	617,720	—	32,106,427	23,844,864	145,450	—	23,990,314	7,643,843
Vehicles	5,828,175	—	—	5,828,175	5,500,502	112,819	—	5,613,321	327,673
<b>Sub-Total (A)</b>	<b>712,206,589</b>	<b>1,866,831</b>	<b>—</b>	<b>714,073,420</b>	<b>471,747,084</b>	<b>21,947,592</b>	<b>—</b>	<b>493,694,676</b>	<b>240,459,504</b>
<b>B Intangible Assets</b>									
C Capital work-in-progress	—	241,800,536	—	241,800,536	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>712,206,589</b>	<b>243,667,367</b>	<b>—</b>	<b>955,873,956</b>	<b>471,747,084</b>	<b>21,947,592</b>	<b>—</b>	<b>493,694,676</b>	<b>240,459,504</b>
Previous Year	636,581,436	93,840,052	—	730,421,488	453,294,313	18,452,771	—	471,747,084	183,287,123



## Prudential Sugar Corporation Limited



As at 31.03.17  
In Rupees

As at 31.03.16  
In Rupees

### 9. NON-CURRENT INVESTMENTS

#### Trade Investments (Valued at cost unless stated otherwise)

##### Equity Shares (quoted)

500 Shares of Rs.1/- each fully paid up in KCP Sugars Ltd.	3,755	3,755
50 Shares of Rs.10/- each fully paid up in The KCP Ind. Ltd.	3,755	3,755
100 Shares of Rs.10/- each fully paid up in Sakthi Sugars Ltd.	4,495	4,495
5 Shares of Rs.10/- each fully paid up in Kothari Sugars & Chem Ltd.	3,000	3,000
100 Shares of Rs.10/- each fully paid up in Aruna Sunrise Hotels Ltd.	2,000	2,000

##### Equity Shares (Unquoted)

a. 5,50,000 Equity Shares of Rs.10/- each fully paid up in Prudential Spinners Ltd.	5,500,000	5,500,000
b. 25,00,000 Preference Shares @ Rs 50/- each paid up in Prudential Ammana Sugars Limited	125,000,000	125,000,000
c. 12,50,000 Preference Shares @ Rs 100/- each paid up in Discovery Infoways Limited	125,000,000	125,000,000

##### Other Investments

National Savings Certificate (Deposited with Forest Department)	11,000	11,000
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<b>Total</b>	<b>255,528,005</b>	<b>255,528,005</b>
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### 10. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

a. Work-in-progress	2,590,000	18,942,500
b. Finished Goods	304,059,881	158,461,687
c. Stores and spares	68,983,868	61,073,411
d. Loose Tools	196,269	294,886

<b>Total</b>	<b>375,830,018</b>	<b>238,772,483</b>
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### 11. TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)

Unsecured, considered good for a period exceeding six months	—	—
Others	36,108,418	73,769,367

<b>Total</b>	<b>36,108,418</b>	<b>73,769,367</b>
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### 12. CASH AND BANK BALANCES

a. Balances with banks*		
On Current accounts	64,548,733	31,754,576
b. Interest Receivables from Govt of India A/c	—	517,742
c. Cash on hand*	383,374	305,960

<b>Total</b>	<b>64,932,107</b>	<b>32,578,278</b>
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### 13. SHORT TERM LOANS AND ADVANCES

#### a. Loans and advances

Unsecured, considered good	50,125,062	38,325,933
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—

<b>Total</b>	<b>50,125,062</b>	<b>38,325,933</b>
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#### b. Others

Loans and advances to employees	1,531,536	1,359,364
Prepaid Expenses	1,032,765	343,635
Balances with Statutory/Government Authorities	34,969,889	17,995,425
Others	141,019,773	93,207,375

<b>Total</b>	<b>228,679,025</b>	<b>151,231,732</b>
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**Prudential Sugar Corporation Limited**



	For the year ended 31.03.17 In Rupees	For the year ended 31.03.16 In Rupees
<b>14. REVENUE FROM OPERATIONS</b>		
Sale of products	737,461,680	981,620,471
<b>Other operating revenues</b>		
Scrap sales	321,837	178,000
<u>Less: Excise duty</u>	<u>42,164,078</u>	<u>37,736,928</u>
<b>Total</b>	<b><u>695,619,439</u></b>	<b><u>944,061,544</u></b>
<b>15. OTHER INCOME</b>		
Interest Income (TDS Rs.438,187, prev. year Rs.466,180)	4,664,329	4,651,450
Claims Received from Insurance	292,000	—
Misc & Others	12,733	159,322
<b>Total</b>	<b><u>4,969,062</u></b>	<b><u>4,810,772</u></b>
<b>16. COST OF RAWMATERIALS AND COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	—	—
Add: Purchases	625,778,611	733,262,738
<b>Cost of Raw materials and Components Consumed</b>	<b><u>625,778,611</u></b>	<b><u>733,262,738</u></b>
<b>17. (INCREASE) / DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year</b>		
Work in Progress	2,590,000	18,942,500
Finished Goods	304,059,881	158,461,687
	<u>306,649,881</u>	<u>177,404,187</u>
<b>Inventories at the beginning of the year</b>		
Work in Progress	18,942,500	3,078,000
Finished Goods	158,461,687	440,392,187
	<u>177,404,187</u>	<u>443,470,187</u>
<b>Total</b>	<b><u>129,245,695</u></b>	<b><u>(266,066,001)</u></b>
<b>18. EMPLOYEE BENEFIT EXPENSES</b>		
a. Salaries, Wages and Bonus	81,569,874	65,419,009
b. Contributions to Provident and other funds	5,820,169	4,826,976
c. Gratuity expenses	982,134	458,213
c. Staff welfare expenses	3,884,354	2,916,888
<b>Total</b>	<b><u>92,256,531</u></b>	<b><u>73,621,086</u></b>

**Prudential Sugar Corporation Limited**



**For the year  
ended 31.03.17  
In Rupees**

**For the year  
ended 31.03.16  
In Rupees**

**19. FINANCE COST**

Interest expense	<b>13,061</b>	17,855,190
<b>Total</b>	<b>13,061</b>	17,855,190

**20. DEPRECIATION**

Depreciation of Tangible Assets	<b>21,947,592</b>	18,452,771
<b>Total</b>	<b>21,947,592</b>	18,452,771

**21. OTHER EXPENSES**

Consumption of Stores & Spares	<b>12,754,461</b>	9,192,987
Power & Fuel	<b>20,177,719</b>	19,761,944
Handling charges	<b>2,150,091</b>	3,744,404
Repairs and maintenance		
To Plant & Machinery	<b>22,609,014</b>	27,147,126
To Buildings	<b>253,882</b>	502,916
To Others	<b>2,708,474</b>	2,707,874
Insurance	<b>821,136</b>	1,015,694
Rates & taxes	<b>839,271</b>	471,624
Legal & Professional Fees	<b>7,883,420</b>	3,510,564
Packing Materials	<b>11,828,689</b>	12,718,567
Bank charges	<b>78,659</b>	185,956
Printing & Stationery	<b>186,652</b>	152,561
Telephone & Internet Charges	<b>841,413</b>	379,243
Travelling Expense	<b>5,849,105</b>	3,749,025
Sales commission	<b>850,575</b>	1,635,220
Business Promotion	<b>72,363</b>	17,623
Rent	<b>439,000</b>	423,900
Miscellaneous Expense	<b>3,729,344</b>	2,774,788
<b>Total</b>	<b>94,073,268</b>	90,092,014
<b>Payment to Auditors</b>		
Audit Fee	<b>302,100</b>	175,000
Tax Audit Fee	<b>—</b>	25,000
<b>Total</b>	<b>302,100</b>	200,000



**NOTE: 22**

**SIGNIFICANT ACCOUNTING POLICIES**

**a. General**

Financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting standards.

**b. Fixed Assets and Depreciation**

1. Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes & incidental expenses and net of Cenvat/Modvat credit, if any.
2. Depreciation is systematically allocated over the useful life of the asset on straight line basis method as specified in Schedule II of Companies Act, 2013.

**c. Investments**

Long term investments are stated at cost. Provision for the diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

**d. Inventories**

1. Sugar is valued at cost price or net realizable value whichever is less.
2. Molasses and Bagasse (By products) valued at net realizable value.
3. Stores and Spares, Stock-in-process and other inventories valued at cost or Net Realizable value whichever is lower. Cost is determined by using weighted average method.

**e. Revenue recognition**

1. Revenue/Income and Cost/Expenditure are generally accounted on accrual basis except as stated otherwise.
2. Sales are inclusive of Excise duty.

**f. Capital Grants**

Investment subsidy from State Government towards capital cost has been considered as Capital Reserve.

**g. Retirement Benefits**

Contribution to Provident Fund is made monthly, at a predetermined rate, to the Commissioner of Provident Fund and debited to the Profit and Loss Account on accrual basis.

**h. Cenvat Credit on Capital goods**

Cenvat credit on capital goods is adjusted and taken credit out of the sale proceeds

**i. Miscellaneous Expenditure**

Capital Issue Expenses / Preliminary Expenses are being amortized over a period of 10 years.

**j. Taxes**

Provision for current tax is made after taking into consideration benefits under the provision of the Income-Tax Act, 1961.

**Prudential Sugar Corporation Limited**



Deferred Tax is provided and recognized on timing differences between taxable income and accounting income subject to consideration of prudence.

**k. Foreign Currency Transaction**

Transaction in foreign currency are accounted for at the exchange rates prevailing on the date of transaction. Foreign currency current assets and current liabilities as at the year and other than those relating to fixed assets are translated at the applicable year end exchange rate and exchange differences, if any, are recognized in the Profit and Loss account. Foreign currency transactions covered under forward contracts are accounted for at the contracted rates.

**l. Impairment of Assets**

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An Impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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For and on behalf of the Board

As per our report of even date

**Sandeep Daga**  
Company Secretary

**Anit Surana**  
Chief Financial Officer

**For Laxminiwas & Jain**  
Chartered Accountants  
Firm Regn. No. 001859S

Place : Hyderabad  
Date : 26.10.2017

**K. Subba Rao**  
Whole Time Director

**Y. Ravinder Reddy**  
Director

**Smt. Sharada G. Patil**  
Partner  
Membership No. 015332



**NOTE 23**

**NOTES TO ACCOUNTS**

**a. Contingent Liabilities / Liabilities not provided**

1. Company has entered into a Settlement Agreement with Ashok Leyland Finance Limited for Rs. 28.52 lacs payable in 3 instalments. Out of the said settled amount company has already paid a sum of Rs.20 lacs. The Company has requested further time for payment of balance amount and the same is under consideration of M/s. Ashok Leyland Finance Limited. On receipt of the full amount the cases will be withdrawn by Ashok Leyland Finance Limited. In case of failure, an additional amount of Rs. 18.11 lacs (PY - Rs.17.05 lacs) to be further provided in the Books of Accounts.
2. Claims Rs.22.08 Lacs (P.Y.- 22.08 Lacs) by Soubhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh.
3. Sales Tax claim of Rs.22.80 Lacs (Previous Year Rs. 22.80 Lacs) for which an appeal is pending with High Court of Andhra Pradesh. The Company has paid Rs. 11.65 lacs (P.Y. Rs.11.65 lacs) against above claim which is shown as deposit recoverable in the books of accounts.
4. The Company has issued 16% Cumulative Redeemable Preference Shares to promoters in the year 1995-96 redeemable on or before 12.01.2005 which is pending redeemable to the tune of Rs.8 lacs. The Company had also issued 16% Cumulative Redeemable Preference Shares for Rs.400 lacs in the year 1996-97 redeemable on or before 10.02.2006. The Company could not redeem the above shares in time as it was registered with BIFR, if redeemed with accumulative dividend the liability up to 31.03.2017 shall stand to Rs 7723.45 lacs (P.Y.Rs.6601.87 Lacs) on account of Dividend.
5. Disputed claim of interest on delayed payment of Purchase Tax Rs. 1245.02 lacs. (P.Y. Rs.1174.90 lacs)
6. Disputed claim of penal charges on delayed payment of Provident Fund Rs. 9.87 lacs. (P.Y.Rs.9.87 lacs)
7. Income Tax Claim of Rs.70.76 lacs (A.Y.2013-2014) against which appeal is pending with Appellate Authority. The company has paid Rs.10.62 lacs against above claim.

**b. IIBI**

The Company had availed Term Loan from Industrial Investment Bank of India (IIBI) under project Finance scheme. Due to financial constraints, the Company could not repay the loan amount to IIBI in time and therefore, entered into One Time Settlement with IIBI for a sum of Rs.444.27 lacs on 27.11.2002. However, the Company could pay a sum of Rs.120 lacs leaving a balance of Rs.324.27 lacs. IIBI has informed the Company that the said loan was purchased by Edelweiss Asset Management Company Limited and accordingly, the Company has reached a settlement with Edelweiss Assets Management Company Limited. The company has paid a sum of Rs.313 lacs to EAMCL and a sum of Rs.11.27 lacs is shown as outstanding payable to IIBI in the Books of Accounts of the Company.

M/s. VAB Ventures Limited informed that they had acquired the loan from EAMCL. Necessary discussions with VAB Ventures Limited are in progress. Pending finalization of the amount payable to VAB Ventures, no provision has been made in the Books of Accounts of the Company for interest on the said Loan. However, in the Books of Accounts of the Company the outstanding amount is shown under the head "Secured Loans payable to IIBI. Proper provision will be made after finalization of the amount payable to VAB Ventures Limited.

**c. IFCI**

The Company had availed loan from IFCI while implementing the project in the year 1994-1995. Due to financial constraints company could not repay the loan amount in time and had arrived at a One Time Settlement with IFCI at Rs.1517.25 lac, Rs.1317.25 lacs payable in cash and Rs.200.00 lacs payable by way of 6% Cumulative Redeemable Preference Shares to be redeemed by 30.06.2008. Out of the settled amount the Company had paid Rs.1271.85 lacs leaving an outstanding of Rs.245.40 lacs. Shree Venkateswara Sugar Industries Private Limited (SVSIPL) informed the Company that they have taken assignment of the balance debt from IFCI by paying a sum of Rs.245.40 lacs and paid the same to IFCI on 24.03.2009. Since the Company has not reached any settlement with SVSIPL, the said amount was shown as outstanding to IFCI in the Balance Sheet till 2011-2012. In the year 2012 SVSIPL informed the Company through its Director that as per the understanding reached between the Directors of their Company that on receipt of amount of Rs.245.40 lacs from the Company, all the rights, claims etc. assigned to SVSIPL by IFCI shall be transferred to the Company. Hence the said amount was treated as Short Term Advance from SVSIPL and was reclassified under Short Term Advance in the Balance Sheet of the Company in the year 2012-2013 and is continuing under the same heading (Net off). Since the amount by SVSIPL is crystalized to Rs.245.40 lacs, no provision of interest in this regard is made in the Books of Account of the Company.

IFCI has not yet satisfied the Charge and Company has filed a Writ Petition in the Hon'ble High Court at Hyderabad against IFCI for releasing the Title documents which still remain with IFCI on behalf of the various Lenders.

**d. Natems Sugar**

The Company has entered into a Business Transfer Agreement (BTA) with Natems Sugar Limited on 04.04.2015 and in terms of the said BTA the responsibility of operations of the business lies with Natems Sugar Limited from 1st April, 2015. It has also been agreed in the BTA that Natems Sugar Limited will advance money to the Company for the purpose of completion of capital expansion programme and the said amount shall be added in the purchase consideration. It has also been agreed in the BTA that Natems Sugar Limited will advance the Amount for the purpose of meeting day-to-day operating expenses and all the expenditure incurred in the accounts of the company in relation to the sugar factory shall be paid for by the Natems Sugar Limited. The amount paid by Natems Sugar Limited till 31.03.2017 in the tune of Rs. 5735.13 lacs towards meeting capital Expenditure and meeting operating expenditure will be added to the purchase consideration as per the terms of BTA. The determined amount of purchase consideration will be adjusted with the Current Assets and Liabilities as on 31.03.2015. In terms of the BTA, till the sale is completed the Company will be entitled to interest @ 10% pa on the balance consideration payable by Natems Sugar Limited. In view of the pendency of legal cases in Competent Courts at Hyderabad, and at the Honorable Supreme court of India, precedent of conditions of sale are yet to be completed and the entire business is being operated and done in the name of the Company. Natems Sugar Limited has made the following payments to the Company till 31.03.2017:

1. Against Purchase consideration — Rs.2800.00 lacs
2. Unsecured loan for repayment of secured loan of Banks — Rs.1542.65 lacs
3. Amount advanced to the Company for meeting Capital Expenditure — Rs.3545.07 lacs
4. Amount advanced to the Company for meeting Operating Expenses — Rs.2190.06 lacs

## Prudential Sugar Corporation Limited



The Purchase consideration will be worked out based on the agreed terms of BTA. upon completion of the sale after conditions of precedent are satisfied and proper legal orders obtained. Profit & Loss of the Company for the current year will get affected to the tune of said variations. However, since sale is yet to be completed actual figures could not be worked out.

### Post Period Event

The Hon'ble Supreme Court in the SLP filed by Company vide SLP No. 13532 and SLP filed by M/s. Natems Sugar Limited vide SLP No. 15052 vide its combined order allowed Company to complete the transfer of Company's sugar business to M/s. Natems Sugar Limited in terms of the BTA and accordingly after the said order of the Hon'ble Supreme Court the Business Transfer Completion Agreement executed between the Company and M/s. Natems Sugar Pvt. Limited on April 30, 2017. The Business Transfer took place after March 31, 2017 and as such all transactions related to sale to be accounted and recorded in the Company's books in the current financial year 2017-18.

- |  |                       |                |
|--|-----------------------|----------------|
| e. Custom Duty on Import of Raw Sugar:                             | <b>31.03.17</b>       | 31.03.16       |
| Export Obligation:   | <b>4638 Mts</b>       | 4638 Mts       |
| Duty component to be paid in case of non fulfillment of obligation | <b>Rs.483.62 lacs</b> | Rs.483.62 lacs |
- \*\* No provision is considered necessary since the company expects favorable decision/fulfilling obligation in all the above cases.
- f. Balance in Trade Receivables, Trade payables, Secured Loans, Unsecured Loans, Loans and Advances, Other Current Assets and Current Liabilities are subject to reconciliation/confirmation. In the opinion of the management Trade Receivables, Loans and Advances and other Current Assets are fully realizable.
- g. The Company is in the process of obtaining the actuarial value for Gratuity and Leave Encashment. As such, the same is not provided for the Current Year. However, the Amount paid during the year is debited to Profit and Loss Account.
- |   |                        |                 |
|---|------------------------|-----------------|
| h. Auditors' remuneration represents            | <b>31.03.2017</b>      | 31.03.2016      |
|   | <b>Rupees</b>          | Rupees          |
| a. Statutory Audit Fees                         | <b>1,75,000</b>        | 1,75,000        |
| b. Tax Audit Fees                               | <b>25,000</b>          | 25,000          |
|   | <b><u>2,00,000</u></b> | <u>2,00,000</u> |
| i. Tax deducted at sources on interest receipts | <b><u>4,38,187</u></b> | <u>4,66,180</u> |
- j. There are no Micro and Small Enterprises to whom the Company owes amounts which are outstanding as at 31st March 2017. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) has been determined on the basis of and to the extent information is available with the Company. No interest is paid/payable during the year to any enterprises registered under the MSME.
- k. The Company operation consists only one Segment – Sugar and therefore the figures given relates to one Segment.



**Prudential Sugar Corporation Limited**

i. Earnings per shares (EPS)	<b>2016-17</b> <b>(Rs.in lacs)</b>	2015-16 (Rs. In lacs)
Basic and Diluted:		
Profit/(Loss) attributable to equity holders	<b>(31.47)</b>	(1699.10)
Weighted average number of shares	<b>3,31,27,000</b>	3,31,27,000
EPS - (Rs.)	<b>(0.095)</b>	(5.13)

## m. Deferred Tax Assets

The major components of the Deferred Tax Assets/Liabilities are as under:

Nature of timing difference

	Deferred Tax Asset/ Liability) as at 01.04.2016 (Rs.in lacs)	(Charge)/Credit for the current year (Rs.in lacs)	Deferred Tax Asset/ (Liability) as at 31.03.2017 (Rs. In lacs)
1. Deferred Tax Asset			
Items covered u/s 43 B	149.06	0.88	148.18
Brought forward losses	1711.35	5.95	1705.39
Sub Total - A	<u>1860.41</u>	<u>6.83</u>	<u>1853.57</u>
2. Deferred Tax Liability			
Depreciation	334.47	20.74	313.73
Sub Total - B	<u>332.40</u>	<u>20.74</u>	<u>313.73</u>
3. NET AMOUNT	<u>1525.94</u>	<u>13.91</u>	<u>1539.84</u>

## n. Disclosure Pursuant to AS-28 on "IMPAIRMENT OF ASSETS"

The Company during the year, has reviewed carrying value of the Assets for finding out the impairment, if any. The review has not revealed any impairment of Assets.

## o. RELATED PARTY DISCLOSURES

## I. RELATED PARTIES

## A. KEY MANAGERIAL PERSONNEL

Sri Vinod Baid, Chairman

## B. ENTERPRISES IN WHICH KEY MANAGERIAL PERSONNEL ARE INTERESTED

VAB Ventures Ltd.

Sri Venkateswara Sugar & Industries Pvt. Ltd.



p. Additional Information:

A. PARTICULARS REGARDING CAPACITY.

Class of Goods	As on 31.03.2017		As on 31.03.2016	
	Unit	Quantity	Unit	Quantity
<b>i. Sugar-Capacity</b>				
a) Licenced	TCD	2500	TCD	2500
b) Installed	TCD	2500	TCD	2500
c) Actual production	QTs.	204480	QTs	219380
<b>ii. Molasses (by product)</b>				
a) Actual production	MTs	14662	MTs	14768

**iii. Sales & Stock**

	Unit	2017		Unit	2016	
		Qty.	Value Rs. in Lacs		Qty.	Value Rs. in Lacs
<b>a) Sales</b>						
Sugar	QTs	176000	6580.17	QTs	323175	8879.52
Molasses	MTs	10459	706.95	MTs	17251	816.24
Bagasse	MTs	5821	87.61	MTs	7533	114.36
Filter Cake	MTs	—	—	MTs	4,868	6.09
			<u>7374.73</u>			<u>9816.21</u>
<b>b) Stock</b>						
Sugar	QTs	70740	2638.60	QTs	42260	1455.85
Molasses	MTs	5721	400.50	MTs	1518	106.26
Bagasse	MTs	100	1.50	MTs	1500	22.50
Sugar-in-Process	QTs	700	25.90	QTs	3300	113.68
Molasses-in-Process	MTs	—	—	MTs	1082	75.74
			<u>3066.50</u>			<u>1774.03</u>
<b>iv. Details of Raw Material Consumed</b>						
Sugarcane	MTs	247810	6257.79	MTs	295328	7332.63
			<u>6257.79</u>			<u>7332.63</u>
<b>v. Value of imported and indigenous material consumed</b>						
Raw material	Percentage	Amount		Percentage	Amount	
Indigenous	100	6257.79		100	7332.63	
Imported	0	—		—	—	
		<u>6257.79</u>			<u>7332.63</u>	
<b>vi. Value of imported and indigenous chemicals and consumables consumed</b>						
Chemicals & consumables	Percentage	Amount		Percentage	Amount	
Indigenous	100	127.54		100	91.92	
Imported	—	—		—	—	
		<u>127.54</u>			<u>91.92</u>	

q. Earnings / outgo in foreign currency— Nil

r. No Excise Duty is provided on the closing stock. However, the same does not have any impact on the Profit and Loss of the company as on 31.03.2017.

s. Previous year figures are re casted /rearranged wherever necessary.

**Prudential Sugar Corporation Limited****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. Registration Details**

Registration No. : 32731 State Code : 01  
Balance Sheet Date : 31.03.2017

**2. Capital Raised during the year (Rs. in Lacs)**

Public Issue : NIL Right Issue : NIL  
Bonus Issue : NIL Private Placement : NIL

**3. Position of Mobilisation and Deployment of Funds (Rs. in Lacs)**

Total Liabilities : 15,772.41 Total Assets : 15,772.41

**Source of Funds**

Paid up Capital : 3,312.70 Paid up Capital : 408.00  
(Equity) (Preference)  
Reserves & Surplus : (1,315.31) Secured Loans : 11.27  
Unsecured Loans : 1900.05 Current Liabilities : 11,455.70

**Application of Funds**

Net Fixed Assets : 2,203.78 Investments : 2,815.27  
Net Current Assets : 9,213.50 Misc. Exps. : —  
Profit and Loss A/c : — Deferred Tax Asset : 1,539.84

**4. Performance of the Company (Rs. in Lacs)**

Turnover : 6,956.19 Total Expenditure : 7,051.25  
Profit before Tax : (45.37) Prior period adjustments : Nil  
Profit after Tax : (31.47) Earning per Share : (0.95)  
Dividend Rate : NIL

**5. Generic Names of three Principal Services of Company**

Item Code No. : 170111.1  
(ITC Code)  
Product Description : S U G A R

For and on behalf of the Board

**Sandeep Daga**  
Company Secretary

**Anit Surana**  
Chief Financial Officer

Place : Hyderabad  
Date : 26.10.2017

**K. Subba Rao**  
Whole Time Director

**Y. Ravinder Reddy**  
Director



**Go Green Initiative**

Dear Shareholder,

As you may be aware, the Ministry of Corporate Affairs, Govt. of India, as part of its "Green Initiative in Corporate Governance" has issued Circular no.17/2011 dated 21/04/2011 and Circular no.18/2011 dated 29/04/2011 permitting service of documents by Companies, to its shareholders, through electronic mode instead of physical mode.

Accordingly, as per the Company's "GO GREEN" initiative, the Company shall send documents, including Notice of General Meetings and Annual Report of the Company, in electronic form to Email ID of the shareholders registered with Company, instead of physical mode.

However, shareholders may note that as a member of the Company, shareholders opting to receive documents in electronic mode will be entitled to receive all such communication in physical form, upon request made by them to the Company.

Shareholders having shares in physical form should provide their Email Id to the Company for opting to receive notices / documents electronically. To Register the E-mail ID with the Company shareholders are requested to submit the following Form duly filled & signed by the shareholders at the forthcoming AGM or send it by post at the registered office of the Company.

**GO GREEN FORM**

To  
PRUDENTIAL SUGAR CORPORATION LIMITED

As per the "Green initiative in the Corporate Governance" of the Ministry of Corporate Affairs, I / We hereby opt to receive service of documents by company, including Annual Report, in electronic mode, and request you to register my Email ID as stated below for the same.

Fields marked with \* are compulsory

Name of Shareholder(s)\* : \_\_\_\_\_

Folio No.\* : \_\_\_\_\_

No. of Shares held as on Date\* : \_\_\_\_\_

E-mail ID (Permanent)\* : \_\_\_\_\_

E-mail ID (Alternative) : \_\_\_\_\_

Contact No. (Mobile)\* : \_\_\_\_\_

Contact No. (Fixed Line)\* : \_\_\_\_\_

Signature : \_\_\_\_\_

**Prudential Sugar Corporation Limited**



**Prudential Sugar Corporation Limited**



**PRUDENTIAL SUGAR CORPORATION LIMITED**

Regd. Office: "Akash Ganga", Plot No. 144, Sri Nagar Colony, Hyderabad - 500 073. Telangana

**Form No. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No/ Client Id : \_\_\_\_\_  
DP ID : \_\_\_\_\_

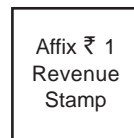
I/ We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing him
3. Name : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 26th Annual General Meeting of the Company, to be held on Saturday, March 31, 2018 at 11.30 am at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Kurra Subba Rao (DIN: 02552019) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. Pugalia & Co., Chartered Accountants (Firm Registration No. 318188E), 20E, Lake Road, Kolkata - 700 029 as Statutory Auditors of the Company for a period of 5 years from the conclusion of this 26th Annual General Meeting.
4. Re-appointment of M/s. N.S.V. Krishna Rao & Co., Cost Accountants, Hyderabad, as the Cost Auditor of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018  
Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_



Note: This Form of Proxy in order to be effective should be duly completed and deposited at Regd. Office of the Company, not less than 48 hours before the commencement of the Meeting.

**Prudential Sugar Corporation Limited**



**PRUDENTIAL SUGAR CORPORATION LIMITED**

Regd. Office: "Akash Ganga", Plot No. 144, Sri Nagar Colony, Hyderabad - 500 073. Telangana

**ATTENDANCE SLIP**

TWENTY SIXTH ANNUAL GENERAL MEETING

Day: Saturday, March 31, 2018 at 11.30 a.m.

I state that I am a member / proxy for the member of the Company. I hereby record my presence at the 26th Annual General Meeting at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094

.....

Signature of Attending Member / Proxy

Applicable for investors holding shares in Electronic Form.

Note: Please complete and sign this Attendance Slip and hand it over at the entrance of the hall.

**Prudential Sugar Corporation Limited**



**PRUDENTIAL SUGAR CORPORATION LIMITED**

Regd. Office: "Akash Ganga", Plot No. 144, Sri Nagar Colony, Hyderabad - 500 073. Telangana

**Registration of e-mail address for future communication**

Name of the Shareholder : \_\_\_\_\_  
Folio No. \_\_\_\_\_ DP. ID No. \_\_\_\_\_ Client ID. \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
Signature : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_

**CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE**

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,  
R&D Infotech (P) Ltd.,  
1st Floor, 7A, Beltala Road,  
Kolkata-700 026

Dear Sir,

I/We shareholder (s) of PRUDENTIAL SUGAR CORPORATION LIMITED, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email). I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No. \_\_\_\_\_ DP ID No.\* \_\_\_\_\_ and Client ID No.\* \_\_\_\_\_

\*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : \_\_\_\_\_  
Name of the Joint Shareholders (if any) : \_\_\_\_\_  
No. of Shares held : \_\_\_\_\_  
E-mail id for receipt of documents in : \_\_\_\_\_  
Electronic mode : \_\_\_\_\_

Date:

Place:

Signature: \_\_\_\_\_  
(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agent R&D Infotech (P) Ltd, as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.



**Prudential Sugar Corporation Limited**





In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 25th Annual General Meeting is given below.

**Google Maps** HMT Bearings Officer Community Hall



**HMT Bearings Officer Community Hall**

Tourist Attraction

 55 8th B Cross Rd, Osmania University Teachers Colony, Sainikpuri, Secunderabad, Telangana 500094

**PRINTED MATTER**

*If undelivered, please return to:*



**Prudential Sugar Corporation Limited**

Regd. Office: Akash Ganga, Plot No. 144,  
Sri Nagar Colony, Hyderabad - 500 073. Telangana State