



# Prudential Sugar Corporation Limited

## NOTICE OF POSTAL BALLOT

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management & Administration) Rules, 2014.

Dear Member (s),

NOTICE is hereby given that pursuant to Section 110 of Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management & Administration) Rules, 2014, the resolution appended below is proposed to be passed as a Special Resolution through postal ballot.

A statement pursuant to Section 102 of the Companies Act, 2013 read with the Rule 22 mentioned above, setting out the material facts concerning the proposed Resolution is also appended herewith for your consideration along with a Postal Ballot Form and a self-addressed postage pre-paid envelope.

The Company has appointed Sri. B. Ramesh Kumar, a Chartered Accountant (Member ship No. 200304) as the "Scrutinizer" for conducting the postal ballot and e-voting process in a fair and transparent manner.

The Company is pleased to offer the option of e-voting facility to all the members of the Company and the Company has entered into an agreement with NSDL for facilitating such e-voting. Notice of Postal Ballot is being sent by e-mail to those Members who have registered their e-mail id for the receipt of documents in electronic mode. Members who have received Postal Ballot Notice by e-mail and wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link <https://evoting.nsd.com>

In case of physical voting, members desirous of exercising their vote by Postal Ballot are requested to complete the enclosed postal ballot form and return the same duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer at the following address, not later than 5.30 p.m. on 8th October, 2014.

B. Ramesh Kumar  
Scrutinizer  
C/o. Prudential Sugar Corporation Limited  
Akash Ganga, Plot No.144,  
Srinagar Colony  
Hyderabad- 500 073. Telangana.

The members can also cast their votes by electronic mode. However, kindly note that members can opt only

one mode of voting i.e., either by physical ballot or by e-voting. If you are opting for e-voting, then do not vote by physical Ballot also and vice versa. However, in case a member has voted both in physical as well as e-voting, then voting done through valid physical ballot shall prevail and voting done by e-voting shall be treated as invalid.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the result of the postal ballot will be announced at 5.30 p.m. on 10th October, 2014 at the registered office of the Company. The result of the Postal Ballot will also be posted on the website of the Company besides communication to Stock Exchanges where the shares of the Company are listed.

The Company is seeking your consent for the proposal as contained in the draft resolution.

### Item No. 1: Sale / Transfer of the Company's sugar business on a going concern basis.

To consider and, if thought fit, to give your assent or dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and subject to other applicable statutory provisions, rules, regulations, guidelines and also subject to necessary approvals, consents, permissions and sanctions from the Banks & other secured creditors in whose favor charge of the assets of the company is existing and other concerned Authorities and such terms and conditions as may be imposed by them, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to transfer, sell, assign, deliver, novate or otherwise dispose off the sugar business of the Company situated at Prudential Nagar, P.O. Koppedu, Nindra Mandal, Dist. Chittoor. Andhra Pradesh on a slump sale basis as a going concern along with its assets, liabilities and debt to a prospective buyer or to a separate entity or to a Special Purpose Vehicle (SPV) to be created for the purpose or a subsidiary Company for a consideration and on such terms and conditions as the Board may deem fit."



"RESOLVED FURTHER THAT the consent of the board of directors of the company be and is hereby given that the company may execute Memorandum of Understanding and other agreements related thereto, if any, as may deem proper, in connection with the proposed slump sale of the sugar business as a going concern in accordance with relevant provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalizing and executing necessary agreements, memoranda, deeds of assignment/conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director(s)."

By Order of the Board of Directors  
For **Prudential Sugar Corporation Limited**

**Vinod Baid**  
Director

Place: Hyderabad  
Date: 26.08.2014

**Notes:**

1. Explanatory Statement and reasons for the proposed special business pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013 are given hereunder.
2. The Notice is being sent through the prescribed methods to all the Members whose names appeared in the Register of Members/Record of Depositories as on 22nd August, 2014.
3. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is also extending e-voting facility as an alternative, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s.
4. The Board of Directors of the Company has appointed B. Ramesh Kumar, Chartered Accountant, as Scrutinizer for conducting the Postal Ballot and

e-voting process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of his scrutiny, the Scrutinizer will submit his report to the Chairman and in his absence to the Company Secretary of the Company.

5. The Resolution will be taken as passed effectively on the date of announcement of the result by the Chairman and in his absence by the Company Secretary of the Company, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders had assented to the Resolutions. The result of the Postal Ballot will be announced at 5.30 p.m. on 10th October, 2014 at the Registered Office of the Company. After the announcement, the result of the Postal Ballot shall also be posted on the Company's website besides communicating the same to the Stock Exchanges where the Company shares are listed.
6. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day excluding Saturday and Sunday till the last date for receiving Postal Ballot Forms by the Scrutinizer i.e., October 8, 2014.
7. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed here below on the backside of the Postal Ballot Form before exercising their vote.
8. The instructions for voting electronically are as under:
  - i. Open e-mail and open PDF file viz; "PSCL e-Voting.pdf" with your client ID or Folio No. as password. Please note User ID and initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - iii. Click on "Shareholder Login"
  - iv. Put user ID and password as initial password noted in step (i) above. Click Login.
  - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- vii. Select "EVEN" of 101165.
- viii. Now you are ready for e-Voting as "Cast Vote page" opens
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote
- xii. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the

duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at rbhattad@gmail.com, with a copy marked to evoting@nsdl.co.in.

In case of shareholders receiving Postal Ballot Form by Post

Initial password is provided at the bottom of the Postal Ballot Form. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) of note (8) as mentioned above, to cast vote.

9. The voting period ends on the close of day of 8th October, 2014. The e-voting module will be disabled by NSDL for voting thereafter.
10. In case of any queries, you may please refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)



**Explanatory Statement  
Pursuant to Section 102 (1) of the Companies Act, 2013**

The Company proposes to transfer, sell, assign, deliver, novate or otherwise dispose off its sugar business located at Nindra Mandal, Chittoor District, Andhra Pradesh alongwith with its immovable/movable assets, current assets, long-term and short-term liabilities, Contracts, Licenses, Permits, Intellectual property rights and employees, to a prospective investor or to a separate entity or to a special purpose vehicle to be created for the purpose or to a subsidiary company, as the case may be.

The purpose of the proposed transfer of the said sugar business is to expand and diversify the operations of the Company. For continuing growth, it is imperative to embark upon forward integration to set-up a Co-gen Power Plant, Refinery, Distillery and other related activities and also execute and implement the plans which the company had not been able to do over the last few years for want of huge capital investment. Although the business of the Company is running satisfactorily it is imperative that fresh funds are infused and the business is taken to newer heights.

In this regard, the company has had discussions with prospective investors like Armstrong Energy Global, Natems Sugar Limited and Repal Co-gen Private Limited and others and after detailed deliberations with each of them, Board has formed an opinion that to achieve the purpose, sugar business has to be separated from the allied businesses of the company and has to be transferred to a separate entity.

Consequent to this, internal valuation of the sugar business has been carried out by the management of the company and estimated valuation of Rs.100 Crores has been reported to the Board which kept the reserve price at Rs.100 Crores. Besides, the Company has also obtained valuation report from a Government approved valuer which is approximately Rs.120 Crores.

The Company proposes to utilize the amount received from such sale proceeds as to make the company a zero-debt company and also invest into allied businesses being/to be carried out by the Company as

per the Memorandum and Articles of Association. Till such proposed investment is made by the company the fund so received shall be invested in Bank Deposits, Government Securities, Inter-corporate Deposits or any such other instruments at market rates so as to make effective utilization of the funds.

The Board of Directors of the Company are of the opinion that since Return on Investment in the business as of now is less than 5%, the company may secure the amount in the interest of the shareholders.

The Board of Directors has given its consent that the Company may enter into an Memorandum of Understanding/Agreement with the buyer so finalized on the above lines and obtain the consent of the Shareholders in terms of provisions of Section 180(1)(a) of the Companies Act, 2013.

In terms of the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 the approval of the Members has to be obtained, mandatorily through Postal Ballot process.

Your Directors recommend this resolution for approval of Members. You are requested to communicate your assent or dissent in writing in the Postal Ballot Form sent herewith in accordance with the instructions set therein.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution of the accompanying Notice.

By Order of the Board of Directors  
For **Prudential Sugar Corporation Limited**

**Vinod Baid**  
Director

Place: Hyderabad  
Date: 26.08.2014