

FORM B**Format of covering letter of the annual audit report to be filed
with the Stock Exchanges**

1.	Name of the Company	Prudential Sugar Corporation Limited
2.	Annual financial statement for the year ended	31 st March, 2015
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	The below mentioned qualification appeared in the Balance Sheet was Repetitive
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report.	<p>Observation</p> <p>1) The company has not provided interest on accrual basis / certain liabilities, Refer Note No.22 (a), the impact is that loss for the year is understated by Rs 70.76 lacs and cumulative impact is that the liabilities are understated by Rs. 1175.52 Lacks.</p> <p>2) 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. 22 (a) (4), the impact of which is that the Current Liabilities are understated by Rs. 408 Lacks and the Capital is overstated by Rs. 408 Lacks and the capital is overstated by Rs 408 Lacs</p> <p>3) The company has not accounted the provisions for retirement benefits as per AS-15, Refer 22 (e), the impact of which is unascertained</p> <p>4) 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. 22 (d), the impact of which is unascertained.</p> <p>Management Response</p> <p>Since the company is having accumulated losses, the management has decided not to make provision of Retirement Benefits as per AS-15, Provision for Liabilities as per AS-29 in the books of accounts, Not Provided Interest and Provide for arrears of dividend.</p> <p>As pointed out by the Statutory Auditors, the company has not obtained confirmation of balances of Advances, Deposits, Unsecured Loans, other liabilities, Trade Receivables, Trade Payables and advance against Suppliers . The Company has made best of its efforts to obtain the same before signing the accounts for current financial year as well as for last financial year. Further, the management of the company confirms that balances shown in the books are true and correct as per their knowledge</p>

**24th Annual Report
2014-2015**



Prudential Sugar Corporation Limited

Prudential Sugar Corporation Limited



BOARD OF DIRECTORS

Mr. Vinod Baid	—	<i>Chairman</i>
Mr. P.M. Nair	—	<i>Director</i>
Mr. U.C. Bhandari	—	<i>Director (upto 30.09.2014)</i>
Mr. Kishore Jhunjunwala	—	<i>Director</i>
Mr. Y. Ravinder Reddy	—	<i>Director</i>
Ms. Sadhana Bhansali	—	<i>Director</i>
Mr. K. Subba Rao	—	<i>Executive Director</i>

COMPANY SECRETARY

Mr. Sandeep Daga	—	Company Secretary
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AUDITORS

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

BANKERS

Bank of India
The South Indian Bank Limited
The Dhanlaxmi Bank Limited
Bank of Maharashtra
Indian Bank

REGISTERED OFFICE

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

FACTORY

“PRUDENTIAL NAGAR”
P.O. Koppedu, Nindra Mandal,
Dist. - Chittoor, A.P.
Pin - 517 587.

DEPOSITORY REGISTRAR

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



NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of PRUDENTIAL SUGAR CORPORATION LIMITED will be held on Monday, the December 28, 2015 at 02.00 PM at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, HMT Bearings Officers' Colony, Sainikpuri, Hyderabad - 500 094, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2015 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 31st March, 2015 and the Statement of Profit & Loss for the year ended 31st March, 2015 together with their annexure 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 with or without modification(s) the following resolution as an Ordinary Resolution:

"Resolved that, pursuant to third proviso to Section 139 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder and pursuant to the resolution passed by the members at the Annual General Meeting held on September 30, 2014, the appointment of M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S), Hyderabad be and is hereby ratified as the auditors of the Company to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting to be held in the calendar year 2016 and that the Board of Directors be and is hereby authorized to pay such remuneration, as may be determined by the Board of Directors, payable to them in addition to reimbursement of all out-of-pocket expenses in connection with audit of the accounts of the Company for the financial year ending March 31, 2016."

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix the Remuneration of the Auditors".

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.60,000/- 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, 2016."

"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."

Prudential Sugar Corporation Limited



5. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of 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 appointment of M/s. Sibsankar & Associates, Chartered Accountants (Firm Registration No. 323691E) as Branch Auditors to hold office from the conclusion of this meeting until the conclusion of the 26th Annual General Meeting on such remuneration as may be determined by the Board of Directors.

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

“The Board of Directors of the Company resolved to pay dividend to the shareholders of the 16% Cum Redeemable Preference Shares, redeem the shares and settle with the shareholders payment of dividend for the delayed period.”

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

Vinod Baid
Chairman
(DIN 00010142)

Place : Hyderabad
Date : 30.11.2015

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed herewith..
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE AT A POLL INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) % OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. Corporate Members intending to send their respective authorized representative are requested to send a duly certified copy of the Board/ Governing Body resolution authorizing such representative to attend and vote at the Annual General Meeting.
4. 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.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and listing agreement, the Register of Members and Share Transfer Books of the Company will remain closed from 24th December, 2015 to 28th December, 2015 (both days inclusive).
6. Details under Clause 49 of the Listing Agreement with the Stock Exchanges 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.
7. 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

8. 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.
9. Electronic copy of the Annual Report for the financial year 2014-15 along with the Notice of the 24th 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 2014-15 along with Notice of the 24th 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.
10. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website www.prudentialsugar.com and on the website of the Registrar 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: psclsugar@gmail.com.
11. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility
12. 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.
13. The Register of Directors 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 the Company at the meeting.

Voting through electronics means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, 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

The facility for voting through Ballot 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
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**.
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. Members can cast their vote online from December 25, 2015 (09.30 AM) till December 27, 2015 (05.00 PM).
11. 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 with a copy marked to evoting@nsdl.co.in

General instructions:

- a. The e-voting period commences on December 25, 2015 (09.30 AM) and closes on December 27, 2015 (05.00 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
- b. 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. 21st of December, 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.



- c. 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.
- d. 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.
- e. 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 21st of December, 2015.
- f. 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.
- g. 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.
- h. 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.
- i. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., 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 24th 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.



Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors for the Financial Year 2015-16 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, 2016.

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.5

Item No. 5

Members had, at the 23rd Annual General Meeting held on 30th September 2014, approved the appointment of M/s. Sibsankar & Associates, Chartered Accountants (Firm Registration No. 323691E) as Branch Auditors of ‘PRUDENTIAL SUGAR CORPORATION LIMITED’, to audit the branch offices for the Three (3) financial years 2014-15, 2015-16 and 2016-17. Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 states that the appointment of the auditor shall be subject to ratification by the members at every Annual General Meeting till the expiry of the term of the Auditor. In view of the above, the appointment of M/s. Sibsankar & Associates, Chartered Accountants, as the Branch Auditors of ‘PRUDENTIAL SUGAR CORPORATION LIMITED’ from the conclusion of this Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 is being placed for members’ ratification. The Board commends the passing of the Ordinary Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above resolution.

Item No. 6

Due to adverse financial situation over the last few years, the Company was not able to pay dividend to the shareholders of the 16% Cumulative Redeemable Preference Shares. As a good corporate governance practice, the consent of the members is sought for passing an Ordinary Resolution as set out above in the Notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out at Item No 6 of the Notice, except to the extent of the shareholding of Mr Vinod Baid, one of the Directors of the Company, in VAB Ventures Ltd. holding majority of the shares.

Prudential Sugar Corporation Limited



Annexure to the Notice

Details of the Directors seeking re-Appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Kurra Subba Rao
Date of Appointment	16.05.2013
Relationship with Directors	None
Expertise in Specific Functional Area	He has vast experience in sugar business and various other Industries
Qualification	B.Tech. (Mech.), B.O.E.
Board Memberships as on March 31, 2015	NIL
Chairman/Member of the committee of the Board of Directors as on March 31,2015	NIL
Number of Shares held in the Company as on March 31, 2015	NIL

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

Place : Hyderabad
Date : 30.11.2015

Vinod Baid
Chairman
(DIN 00010142)

**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting the 24th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2015.

Financial Results

	for the Year ended 31.03.2015	(Rs. in Lakhs) for the Year ended 31.03.2014
Total Income	8794.48	8195.26
Profit/(Loss) before Interest and Depreciation	178.86	689.51
Less: Interest	179.19	243.07
Profit/(Loss) after Interest but before Depreciation & Tax	(0.33)	446.44
Less: Depreciation	109.96	285.50
Profit/(Loss) before tax	(110.30)	160.94
Provision for Tax:		
- Taxation for earlier year	3.93	—
- Current	—	—
- Deferred Tax Asset	44.07	54.94
Profit/(Loss) after Tax and Dividend	(70.17)	106.00
Add: Balance brought from previous year	(9.19)	(115.19)
Surplus/(Loss) carried to Balance Sheet	(79.36)	(9.19)

State of the Company's Affairs

During the crushing season 2014-2015 Company has crushed 302799 MTs of cane as against 298953 MTs of cane crushed during crushing season 2013-14. The average recovery during the year under review was 9.16% as against 9.10% during last crushing season.

Your Directors are hopeful of better performance with increased revenue in the next year.

Sugar Industry Overview

For the fifth consecutive year the world sugar production has recorded a surplus with major contribution coming from Brazil and India. Due to excess production, the international price registered a huge fall. This made the Indian sugar exports unviable with export realization far below the domestic price. The scenario in India is no different with the production outstripping demand for the fifth year in succession. For the sugar season 2014-15 (Oct-Sep) the estimated production in India will be around 28 million tonnes (with Maharashtra, Karnataka and Uttar Pradesh being the main contributors) as against the static demand of around 24.80 million tonnes, leading to a current year surplus of around 3.20 million tonnes.

With a carryover of 7 million tones of previous years, the overall surplus sugar will be around 10.20 million tonnes. This has led to a crash in sugar price resulting in prices nose diving to around Rs.21 to Rs.22 per Kg.

Prudential Sugar Corporation Limited



During the year under consideration, the Andhra Pradesh Government has passed the purchase tax of Rs.60 per MT payable by the mills to farmers. Due to imposition of tax @ 5% on sale of sugar within and outside the state, which works out to Rs.120/- per quintal, sales to markets in Tamil Nadu & Kerala (major markets for Andhra Pradesh) has become unviable resulting in complete loss of market share to Karnataka and Maharashtra since these states do not levy VAT.

With mounting cane outstanding of around Rs.20,000 Crores (all India) the mills are under severe financial stress. To overcome this situation the sugar industry through its representative body (SISMA/ISMA) has made representation to the Central/State Govt. to ease the situation and recommended the following measures :

- a. The cane price should be proportional to the sugar price as recommended by Dr. C. Rangarajan Committee.
- b. Excise Duty should be removed on production of Ethanol which will greatly help in the mandatory blending with petrol and will also result in savings in foreign exchange.
- c. Outright purchase of sugar to the extent of 10% of 2014-15 production by the Central Government and paying for the same of around Rs.8500 Crores which will enable the mills to clear the huge cane outstanding.
- d. Restructuring of loans taken by mills by extending repayment periods with interest reduction.

Listing of Equity Shares

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

BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai-400 001;

The Company has paid the Annual Listing Fees to the said Stock Exchange for the financial year 2014-15.

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

During the year ended March 31, 2015, Seven (7) Board Meetings were held.

The dates on which the Board meetings were held are 20.05.2014, 30.05.2014, 14.08.2014, 26.08.2014, 15.11.2014, 26.11.2014 and 14.02.2015.

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

Pursuant to the requirement under Section 134 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, 2015 and of Profit and Loss Account 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, 2015 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).

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,

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;
- devise a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

Nomination and Remuneration policy

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.



Particulars of Loans, Guarantees or Investments under Section 186

The company has not given any Loans, Guarantees, and made Investments during the Financial Year ended on March 31, 2015 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

The company has invested Rs.125,000,000 in Prudential Ammana Sugars Ltd. and Rs.125,000,000 in Discovery Infoways Ltd.

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

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

Transfer of Amount to Reserves

The Company doesn't propose to transfer any amount to the General Reserve for the Financial Year ended 31st March, 2015.

Dividend

The Board of Directors of the Company could not recommend Dividend for the financial year ended March 31, 2015.

However, the Board of Directors of the Company has recommended payment of dividend to the share holders of the 16% Cum Redeemable Preference Shares at the appropriate time.

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 - 1 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 - 2 to this Report.

Risk Management Committee

Philosophy

The Board has constituted Risk Management Committee to formulate a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company outlining different kinds of risks and risk mitigating measures to be adopted. The Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.



Mechanism for Evaluation of Board

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 meetings;
 - 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.

Directors

Mr. Kurra Subba Rao, Director of the Company retires by rotation and being eligible himself offer for re-appointment.

Mr. Maheswaran Nair Paramupillai, Director of the company has resigned from the board with effective from 10.04.2015

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

The shareholders of the Company have re-appointed Mr. Y. Ravinder Reddy, Mr. Kishore Jhunjhunwala, Mr. P.M. Nair and appointed Ms. Sadhana Bhansali as an Independent Director of the Company for a period of 5 years with effect from September 30, 2014.

Mr. Pradeep Kumar Baid has been designated as Chief Financial Officer of the Company pursuant to provisions of Section 203 of the Companies Act, 2013.

Deposits

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



Statutory Auditors

At the Annual General Meeting held on September 30, 2014, Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S), Hyderabad, were appointed as Statutory Auditors of the Company to hold office for a period of three years i.e., till the conclusion of the 26th Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the said appointment of Laxminiwas & Jain, Chartered Accountants Hyderabad, as statutory auditors of the Company is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Act. The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Internal Auditors

The Board of Directors of the Company has appointed Mr. Pradeep Kumar Baid to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2015.

Audit Committee

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

Corporate Governance

A separate report on Corporate Governance and Management Discussion and Analysis is annexed as part of the Annual Report along with the Auditor's Certificate on its compliance.

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 Auditor 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, 2015.

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

There are no qualifications in Secretarial Audit 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 - 4 to this Annual Report.



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 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 passed a Resolution to sell, transfer, assign, deliver, novate or other dispose of the sugar business of the company to a prospective investor namely, Natems Sugar 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 the 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 who have participated in the Postal Ballot.

The Board of Directors of the Company during its meeting in November 2014 endorsed the view 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.

Prudential Sugar Corporation Limited



Subsequently, in the month of April, 2015, after vacation of interim injunction and the Resolution was passed by the shareholders, the company had entered into a Business Transfer Agreement with Natems Sugar 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 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

Material changes and commitments affecting the financial position of the Company

During the year the board of directors proposed to transfer the Sugar business of the company to a prospective investor namely, Natems Sugar Limited subject to necessary approvals consents, permissions and the same was approved by the share holders 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

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, 2015, the Company has not received any Complaints pertaining to Sexual Harassment.

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 : 28.09.2015

Kurra Subba Rao
Whole Time Director
(DIN 02552019)

Vinod Baid
Director
(DIN 00010142)



ANNEXURE - 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2014
(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, rth Floor, Srinagar Colony, Hyderabad - 500 073, Telangana State Email: psc@sugar@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	170111.09	88%
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
A.	Promoters								
i.	Indian								
(a)	Individuals / HUF	6665300	3514807	10180107	28.47	6665300	3514807	10180107	28.47
(b)	Central Government								
(c)	State Government(s)								
(d)	Bodies Corporate	6132189	8745910	14878099	41.61	6132189	8745901	14878099	41.61
(e)	Banks/FI								
(f)	Any Other (Specify)								
	Sub - Total (A) (i):-	12797489	12260717	25058206	70.09	12797489	12260717	25058206	70.09
ii.	Foreign								
(a)	NRI's-Individuals								
(b)	Other - Individuals								
(c)	Bodies Corporates								
(d)	Banks/FI								
(e)	Any other								
	Sub - Total (A) (ii):-								
	Total Shareholding of Promoter (A) = (A) (i)+(A)(ii)	12797489	12260717	25058206	70.09	12797489	12260717	25058206	70.09

Prudential Sugar Corporation Limited



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	Silver Golden Property Develop Fin Inv Pvt Ltd	7745910	21.67	-	7745910	21.67	-	
2	VAB Ventures Ltd	2631689	7.36	-	2631689	7.36	-	
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	Premier Fiscal Services P Ltd	1500500	4.20	100%	1500500	4.20	100%	
8	Premier Industrial & Commercial Services P Ltd	1000000	2.80	100%	1000000	2.80	100%	-
9	Geddani Sumalatha	1000000	2.80	-	1000000	2.80	-	-
10	Chadalavada Kavitha	1000000	2.80	-	1000000	2.80	-	-
11	Prudential Capital Market Ltd	1000000	2.80	-	1000000	2.80	-	-
12	Baid Apartments P Ltd	500000	1.40	100%	500000	1.40	100%	-
13	J M Properties P Ltd	500000	1.40	100%	500000	1.40	100%	-
14	Govind Gupta	300000	0.84	-	300000	0.84	-	-
15	Nirmal Kumar Lalwani	100000	0.28	-	100000	0.28	-	-
16	Hemant Kumar Lalwani	100000	0.28	-	100000	0.28	-	-
17	Suryaprakash Rathi	40000	0.11	-	40000	0.11	-	-
18	Vinod Baid	15007	0.04	-	15007	0.04	-	-
19	Arihant Baid	100	0.0	-	100	0.0	-	-
	Total	25058206	70.09		25058206	70.09		



iii. 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	Silver Golden Property Develop Fin Inv Pvt Ltd				
At the beginning of the Year		7745910	21.67	---	---
At the end of the year (or on the date of separation, if separated during the year)				7745910	21.67

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
2	VAB Ventures Ltd				
At the beginning of the Year		2631689	7.36	---	---
At the end of the year (or on the date of separation, if separated during the year)				2631689	7.36

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
3	Chadalavada Krishna Moorthy				
At the beginning of the Year					
a. Fully Paid-up Shares		2125000	5.94	---	---
b. Partly Paid-up Shares*		1750000	4.89		
At the end of the year (or on the date of separation, if separated during the year)				2125000 1750000	5.94 4.89

*Call-money notices given

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
4	Sucharitha Manda				
At the beginning of the Year					
a. Fully Paid-up Shares		2000000	5.59	---	---
b. Partly Paid-up Shares*		1750000	4.89		
At the end of the year (or on the date of separation, if separated during the year)				2000000 1750000	5.59 4.89

*Call-money notices given

Prudential Sugar Corporation Limited



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
5	Premier Fiscal Services P Ltd	1500500	4.20	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)				1500500	4.20
6	Premier Industrial & Commercial Services P Ltd	1000000	2.80	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)				1000000	2.80
7	Geddiam Sumalatha	1000000	2.80	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)				1000000	2.80
8	Chadalavada Kaviha	1000000	2.80	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)				1000000	2.80

Prudential Sugar Corporation Limited



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
9	Prudential Capital Market Ltd.				
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
10	Baid Apartments P Ltd				
At the beginning of the Year		500000	1.40	---	---
At the end of the year (or on the date of separation, if separated during the year)				500000	1.40
11	J M Properties P Ltd				
At the beginning of the Year		500000	1.40	---	---
At the end of the year (or on the date of separation, if separated during the year)				500000	1.40
12	Govind Gupta				
At the beginning of the Year		300000	0.84	---	---
At the end of the year (or on the date of separation, if separated during the year)				300000	0.84

Prudential Sugar Corporation Limited



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
13	Nirmal Kumar Lalwani	100000	0.28	---	---
At the beginning of the Year		100000	0.28	---	---
At the end of the year (or on the date of separation, if separated during the year)		100000	0.28	100000	0.28
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
14	Hemant Kumar Lalwani	100000	0.28	---	---
At the beginning of the Year		100000	0.28	---	---
At the end of the year (or on the date of separation, if separated during the year)		100000	0.28	100000	0.28
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
15	Suryaprakash Rathi	40000	0.11	---	---
At the beginning of the Year		40000	0.11	---	---
At the end of the year (or on the date of separation, if separated during the year)		40000	0.11	40000	0.11
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
16	Vinod Baid	15007	0.04	---	---
At the beginning of the Year		15007	0.04	---	---
At the end of the year (or on the date of separation, if separated during the year)		15007	0.04	15007	0.04
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
17	Arihant Baid	100	0	---	---
At the beginning of the Year		100	0	---	---
At the end of the year (or on the date of separation, if separated during the year)		100	0	100	0

Prudential Sugar Corporation Limited



iv. 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	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)		1700000	4.75	1700000	4.75
2	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)		1200000	3.35	1200000	3.35
3	Templeton Mutual Fund	332400	0.92	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)		332400	0.92	332400	0.92
4	Tropical Securities and Investments P. Ltd.	226182	0.63	---	---
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)		226182	0.63	226182	0.63
5	Nipponzone Securities P. Ltd.			120000	0.33
At the beginning of the Year					
At the end of the year (or on the date of separation, if separated during the year)				120000	0.33

Prudential Sugar Corporation Limited



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
6	The K.C.P. Ltd.	100000	0.27	---	---
At the beginning of the Year		100000	0.27	---	---
At the end of the year (or on the date of separation, if separated during the year)		100000	0.27	100000	0.27
7	Rajendra Mahadev Babani	100000	0.27	---	---
At the beginning of the Year		100000	0.27	---	---
At the end of the year (or on the date of separation, if separated during the year)		100000	0.27	100000	0.27
8	Rishiti Stock and Share P. Ltd.	99000	0.27	---	---
At the beginning of the Year		99000	0.27	---	---
At the end of the year (or on the date of separation, if separated during the year)		99000	0.27	99000	0.27
9	Jenita Vitu Agarwal	80000	0.22	---	---
At the beginning of the Year		80000	0.22	---	---
At the end of the year (or on the date of separation, if separated during the year)		80000	0.22	80000	0.22
10	Ganguraju Raghu	78500	0.21	---	---
At the beginning of the Year		78500	0.21	---	---
At the end of the year (or on the date of separation, if separated during the year)		78500	0.21	78500	0.21

Prudential Sugar Corporation Limited

in INR

v. INDEBTEDNESS Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year				
i) Principal Amount	148827000	12021750	-	160848750
ii) Interest due but not paid	4167467		-	4167467
iii) Interest accrued but not due			-	
Total (+i+ii+iii)	152994467	12021750	-	165016217
Change in Indebtedness during the financial year				
Addition				
Reduction	50000	821750	-	871750
Net Change	50000	821750	-	871750
Indebtedness at the end of the Financial year				
i) Principal Amount	148770000	11200000	-	159970000
ii) Interest due but not paid	3643614		-	3643614
iii) Interest accrued but not due			-	
Total (+i+ii+iii)	152420614	11200000	-	163620614

vi. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl.No	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	15007	0.04	15007	0.04
2	101	0.00	101	0.00
3	101	0.00	101	0.00
4	101	0.00	101	0.00
5	NIL			





vii. 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	Total Amount
1	Gross Salary	K. Subbarao	1,080,000
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		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		Y. Ravinder Reddy	Kishore Jhunjhunwala	Maheswaran Nair Paramupillai	
1	Independent Directors				
	Fee for attending board/committee meetings	17,500	2,500	2,500	25,000
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board/committee meetings	Vinod Baid 17500			17500
	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	Company Secretary	Total
1	Gross Salary	200,000	1,200,000	1,400,000
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			
4	Commission			
	- as % of profit			
	- others, specify ...			
5	Others, Please specify			
	Total	200,000	1,200,000	1,400,000

viii. 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					
Punishment					
Compounding					

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					
Punishment					
Compounding					

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					
Punishment					
Compounding					

**ANNEXURE – 2**

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, 2015
Used	NIL
Earned	NIL



ANNEXURE - 3

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2015

[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.

I 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 to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015, 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:

I 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, 2015 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable to the Company during the financial year under review;
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (effective 28th October 2014) - Not applicable to the Company during the financial year under review;
 - e. 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;



- f. 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 financial year under review;
- g. 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 financial year under review; and
- h. 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 financial year under review.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India - Not notified during the audit period and hence not applicable.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However as per the information provided by the company, the company is in the process to file the pending forms to be filed with the MCA and Stock Exchange.

I 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/ Chief Financial Officer / Whole-time Director taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws including Industrial Laws, Environmental Laws, Competition Law, Human Resources and Labour laws.

I further report that, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I 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.

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.

I further report that, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Hyderabad

Date: 28.09.2015

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

This Report is to be read with my letter of even date which is to the report and forms an integral part of this report.

Prudential Sugar Corporation Limited



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

My 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. My responsibility is to express an opinion on these secretarial records based on my 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 my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. my 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: 28.09.2015

Company Secretaries
FCS 1918, CP: 2267



ANNEXURE – 4

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. Kurra Subba Rao, Whole Time Director	8.74
2	Mr. Vinod Baid, Director	NA
3	Mr. Y Ravinder Reddy	NA
4	Mr. Kishore Jhunjunwala	NA
5	Mr. Maheswaran Nair Paramupillai	NA
6	Ms. Sadhana Bhansali	NA

* Mr. Vinod Baid (Director), Mr. Y Ravinder Reddy, Mr Kishore Jhunjunwala, Mr. Maheswaran Nair Paramupillai 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. Kurra Subba Rao, Whole Time Director	17.65 %
2	Mr. Vinod Baid, Director	NIL
3	Mr. Y. Ravinder Reddy	NA
4	Mr. Kishore Jhunjunwala	NA
5	Mr. Maheswaran Nair Paramupillai	NA
6	Ms. Sadhana Bhansali	NA
7	Mr. Pradeep Kumar Baid, CFO	NIL
8	Mr. Sandeep Kumar Daga, Company Secretary	NIL

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

** There was 17.65 % of increase in Remuneration paid to Whole Director during the Financial Year ended 31st March, 2015.

*** Mr. Pradeep Kumar Baid appointed as CFO of the company on 14.02.2015

- iii. The percentage increase in the median remuneration of employees in the financial year. 15.30%

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

There are 330 permanent employees on the rolls of the Company as on 31st March, 2015.

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

S.No.	Average increase in remuneration	Company performance
1	5.25%	Rs. -7,016,881 (Net 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, 2015
1	Rs.33,30,000	Rs. -7,016,881 (Net 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)

S.No.	Particulars	As at March 31, 2015	As at March 31, 2014
1	Market Capitalisation		
2	Price Earnings Ratio		

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 25.04.1997 at the price of Rs.10/- per equity share. As on 31st March, 2015 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, 2015
1	Mr. K. Subba Rao, Whole Time Director	Rs. 10,80,000	Rs. -7,016,881 (Net Loss)
2	Mr. Pradeep Kumar Baid Chief Financial Officer*	Rs. 10,50,000	Rs. -7,016,881 (Net Loss)
3	Mr. Sandeep Kumar Daga Company Secretary	Rs. 12,00,000	Rs. -7,016,881 (Net Loss)

*Mr. Pradeep Kumar Baid designated as CFO on 14.02.2015

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. -N.A.-

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

Prudential Sugar Corporation Limited



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.1,080,000	Contractual	B.Tech. (Mech.), BOE 37 years	17.05.1995	66 years	Nizam Sugars Ltd.	Nil	None
2	Mr. Pradeep Kumar Baid* Chief Financial Officer	Rs.1,050,000	Permanent	B.Com., FCS 16 years	15.05.2001	37 years	T.T. Ltd.	Nil	None
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.1,200,000	Permanent	B.Com., ACA, ACS 20 years	20.04.2013	44 years	Consultant to various organisations	Nil	None

*Mr. Pradeep Kumar Baid designated as CFO on 14.02.2015



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and development

World Sugar

Sugar is produced in over 120 countries from beet or cane. Over time, the relevant share of cane sugar has increased from 56% during 1960s to 80.6% during 2014-15 by reason of growing sugar production out of cane in tropical countries.

Global sugar production has resolutely remained surplus over consumption for the fifth consecutive season in 2014-15. Better crops in India and the EU more than counter balanced the smaller output in Brazil and China. World sugar prices under pressure from surplus fundamentals have hence suffered the severest of beating. Raw sugar for the near month delivery touched a six year low of 11.93 cents/pound on 31st March 2015. Indeed, global sugar prices are down by 50% in three years with only a bleak prospect of getting out of bears grip under the current scenario.

Brazil is the dominant sugar producer and exporter, while Thailand is the second largest sugar exporter. India is steadfastly placed as the second largest sugar producer and the numero uno sugar consumer in the World but is just an occasional and marginal player in the global trade.

Indian Sugar

The Indian sugar industry is characterized by the coexistence of private, cooperative and public sector. It is inherently inclusive, supporting over 50 million farmers and their families. It is rural centric and hence a key driver of village level wealth creation. Sugar is India's second largest agro-based industry after Textiles. It has tremendous transformational opportunities to meet food, fuel and power needs in an environment friendly manner.

Sugarcane and sugar production are seasonal with more than 90% happening in the winter months of November to March. Sugarcane use for production of sugar has steadily increased over time in preference to alternative sweeteners. Maharashtra and UP are the dominant sugar producing States while of late Karnataka has significantly stepped up its production. In contract, sugar production in Andhra Pradesh is on a discernible decline during the last four years due to the recurrence of drought, drying up of rivers, poor storage in reservoirs and resultant repressive water shortage.

As if following the global cues, Indian sugar production has outstripped consumption since 2010-11 for five consecutive seasons. Still worse, early estimates are a clear pointer to the persistence of this surge during 2015-16 as well. It is hence no wonder domestic sugar prices have been smothered, weighed by cumulative supply overhang and diminutive scope for sugar exports despite sops for sugar exports periodically, albeit belatedly, announced by the Government. Indeed, sugar prices have now been hovering for several quarters far below the cost of production across regions. As a result, sugar industry, the producer of green power and green fuel, is financially pushed into red.

It looks as though sugar production has convincingly come out of the influence of traditional cyclical swings. For long, lower sugar prices would mean commensurate lower sugarcane prices, consequent delayed payments and boisterous build up of arrears prompting in that process a proactive crop switch by the farmer. In turn, sugar production would decline to push prices up. This conventional and time tested cycle has now been balefully broken due to the huge disparity between the price for cane compared to other competing crops. As a result, the farmer remains deep rooted with the cane crop, where he has the twin benefits of a guaranteed market access and a lucrative price that more than effectively compensates in the end for the delayed price realization. Blighted by such a structural problem and burdened by the high cost of raw material, Indian sugar is preposterously priced out in the export market, obliterating the scope for stock correction. Government interventions through soft loans and other sops to help clear cane arrears prove only palliative, with the fundamental



problem posed by the huge mismatch between sugar and cane price manifesting to prove malignant. In this context, it is imperative that sugarcane pricing is structured on a formula towards equitably sharing a pre-determined percentage of realization from sugar and its by-products. A Cane Price Stabilization Fund could concomitantly be in place to tweak this price for taking care of year on year volatility and bringing in stability to protect the interest of cane farmers.

Government Policies

- The Central Government decided in January 2015 to hike the FRP for sugarcane to Rs.230/- Qtl. for 2015-16 sugar season linked to a basic recovery of 9.5 %.
- Central Government in December 2014 approved a mechanism for Ethanol blend at a fixed price band of Rs.48.50 to Rs.49.50 per Ltr. for delivery at the depots of OMCs. As a further fillip to the Ethanol blending programme, the Centre has also decided to totally exempt excise duty on Ethanol from October 2015.
- Import duty on sugar has been increased from 15% to 25% in August 2014 and further to 40% from 30th April 2015.
- Import facility for sugar under duty-free import authorization scheme has been withdrawn, while the deadline to fulfill the export obligation under AAS has been reduced from 18 months to 6 months.

Opportunities & Threats

India has low per capita consumption with growing income. Its farm productivity has virtually remained stagnant for decades. There is thus immense scope for higher production to meet growing demand and capture export markets besides strengthening the by-product segment to greater value addition.

Sugar business is intrinsically cyclical. Market sentiments move disproportionate to demand-supply parity causing volatile change in product pricing. Cogeneration and Ethanol bring much desired value addition to by-products and help soften the inimical impact of sugar cycles.

Sugarcane availability is critically dependent upon conductivity of nature. Repeated monsoon failure and poor storage of water in Aranier reservoir catering to our command area pose a severe challenge to agriculture in our neighborhood, impacting cane cultivation in the process. Unscheduled power tripping disrupting irrigation schedule continues to remain a major impediment. Drip irrigation is only slowly catching up due to its high capital outlay, glitches in getting Government subsidy and draconian deficiency in water resources not enough to meet even the minimal drip requirement for cultivation.

In view of fragmented capacity and high input costs, India suffers systemic un competitiveness in the world market. As a result, sugar exports often times have to rely on the crutches of Government support measures.

Outlook

Defying earlier estimates of a smaller output for 2014-15 season (October/September period), sugar producers have only added to the global supply and in turn aggravated the pricing pressures during the year. Looking ahead to the 2015-16 season, higher Indian production is a clear dampener to the world sugar market with preliminary data showing an increase in the acreage, undaunted by the record high cane price arrears crossing Rs.20000 crores. As a corollary, sugar prices have little scope for rebound and little hope for rejoice barring occasional intermittent corrections. Weather as ever would be the only unpredictable factor in influencing the ultimate outcome of 2015-16 season.

Six strong headwinds in the near term and macro forces in the medium term are impacting the industry and exerting downward pressure in the futures market.



- Too much supply caused by five successive years of surplus production.
- Considerable lag in the switch from cane (a semi perennial crop) to other crops and lack of incentive for switch due to depressed prices of other agri commodities.
- Strong USD having a negative impact on the price of all global commodities (sugar isn't immune). Brazilian Real hit a 12 year low against USD, thereby sustaining value of world market sugar in local currency terms.
- Crash in global crude oil prices and consequent ongoing uncertainty over the future bio-fuel demand. There is thus depressed demand for sugar based ethanol in US and EU.
- Sugar consumption marginally increasing in emerging markets but demand dropping in developed markets due to health concerns related to obesity and diabetes.
- Widespread farm subsidies, import restrictions and trade blocks that are all in place since the colonial days keeping sugar prices low.

It thus looks obvious that headwinds would continue to haunt global sugar markets in the near term and the hapless industry should reconcile itself for a long battle.

Risks and concerns

The management cautions that the risks outlined below are not exhaustive and are for information purpose only. Investors are requested to exercise their own judgment in assessing various risks associated with the industry and the Company.

Industry risks

Sugar industry being agro based and vulnerable to commodity cycles is fraught with several risks. Source of sugar cane for other sugar factories is largely dependent on our command area due to less availability of cane in there zone area where growth and availability would depend on monsoon and water flow in the river. Despite recent liberalization by Centre, there are continuing controls on cane area reservation as well as fixation of cane price by State Governments. The growing mismatch between free market prices for end product and Government controlled price for inputs poses a persistent and grave concern.

Risk mitigation

The Company has built excellent relationship over the years with 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

The Board being responsible for framing, implementing and monitoring the risk management plan for the company has laid down the framework for risk assessment and mitigation procedures. It has set out detailed framework to deal with key areas of risks encompassing raw material risk, product price risk, regulatory risk, finance risk and risk specific to the company. It has put in place adequate system to keep its key operating team aware and beware of the likely risk factors. Internal control systems and internal audit checks help the company continuously monitor emerging risks and take timely corrective action.

Internal Control System and their adequacy

The company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures function satisfactorily at

Prudential Sugar Corporation Limited



all times and all policies are duly complied with as required. These are considered adequate to reasonably safeguard its assets against loss or misappropriation through unauthorized or unintended use.

There is adequate and effective internal audit system that employs periodic checks on ongoing process. The Audit Committee of the Board of Directors regularly reviews the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory guidelines.

Human Resources

The Company employs 149 seasonal and 181 non-seasonal employees. We have sugar wage board applicable for our workers. Industry relations remained cordial throughout the year.

Discussion on Financial Performance with respect to Operational Performance

Operational Performance

	Year ended	
	2014-15	2013-14
Number of days	117	119
Average crushing rate (TCD)	2588	2512
Cane crushed (T)	302799	298953
Recovery (%)	9.16	9.10
Sugar produced (T)	277380	270750

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 2012-13. The only saving grace in the year was the buoyancy in the price of Molasses. Operating margins were negative 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 suffered a Net Loss after tax of Rs.70.17 Lakhs as against the net profit of Rs.105.99 Lakhs in the previous year. Its operations were decimated by drought and marred by adverse market conditions thereby rendering its overall financial performance unsatisfactory.

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**

Vinod Baid
Chairman
(DIN 00010142)

Place : Hyderabad
Date : 28.09.2015

**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement 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, 2015, the Board of Directors ("Board") comprises of Six Directors, of which 1 is Executive 1 is Non-Executive Directors, and remaining 4 (Four) are independent directors. The Chairman of the Board is Non Executive promoter.

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

S.No.	Name of the Director	Designation	Category
1	Mr. Vinod Baid	Chairman	Non Executive Director (Promoter)
2	Mr. Kurra Subba Rao	Whole Time Director	Executive Director (Non Promoter)
3	Mr. Y. Ravinder Reddy	Director	Independent Director
4	Ms. Sadhana Bhansali	Director	Independent Director (Woman Director)
5	Mr. Kishore Jhunjunwala	Director	Independent Director
6	Mr. Maheswaran Nair Paramupillai*	Director	Independent Director

*Mr. P.M. Nair resigned from the board on 10.04.2015.



Other Directorships:

The number of directorships and memberships in the committees of Other Companies held by the Directors as on March 31, 2015 are as under:

Name of the Director	No. of other Directorships*	In other public Companies**	
		Membership	Chairmanship
Mr. Vinod Baid	11		
Mr. Kurra Subba Rao	1		
Mr. Y Ravinder Reddy	4	1	NIL
Ms. Sadhana Bhansali	—		
Mr. Kishore Jhunjunwala	16		
Mr. Maheswaran Nair Paramupillai	5		

* Includes directorships in the companies incorporated under the Companies Act, 1956.

** Includes only Audit and Shareholders Grievances Committee

Board Meetings:

During the year ended March 31, 2015, 7 Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed four months.

The dates on which the Board meetings were held are: 20.05.2014, 30.05.2014, 14.08.2014, 26.08.2014, 15.11.2014, 26.11.2014 and 14.02.2015

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended March 31, 2015 and at the last Annual General Meeting (AGM) are given below:

Name of the Director	Number of Board Meetings		Attendance at AGM held on September 30, 2014
	Held	Attended	
Mr. Vinod Baid	7	7	Yes
Mr. Kurra Subba Rao	7	7	Yes
Mr. Y. Ravinder Reddy	7	7	Yes
Ms. Sadhana Bhansali	7	1	Yes
Mr. Kishore Jhunjunwala	7	1	Yes
Mr. Maheswaran Nair Paramupillai*	7	1	Yes
Mr. U.C. Bhandari**	7	NIL	No

* Mr. Maheswaran Nair Paramupillai resigned from the Board on 10.04.2015

** Mr.U.C. Bhandari retired from the Board on 30.09.2014

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** Composition:

- The Audit Committee was constituted by the Board with 3 Independent Directors with Independent Director as its Chairman.
- The Head of Finance and Accounts, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- The minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

 Audit Committee meetings :

- Four Audit Committee Meetings were held during the year ended March 31, 2015. 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 2014, 14th August 2014, 15th November 13, 2014 and 14th February, 2015.

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
Ms. Sadhana Bhansali	Member	4	1
Mr. Kishore Jhunjunwala	Member	4	1
Mr. P.M. Nair*		4	1
Mr. U.C. Bhandari**	Chairman (upto 30.09.2014)	4	—

*Retired from the Board on 10.04.2015

** Retired from the Board on 30.09.2014.

 Terms of Reference:

The terms of reference of the Audit Committee are as under:

1. oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013



- b. changes, if any, in accounting policies and practices and reasons for the same
 - c. major accounting entries involving estimates based on the exercise of judgment by management
 - d. significant adjustments made in the financial statements arising out of audit findings
 - e. compliance with listing and other legal requirements relating to financial statements
 - f. disclosure of any related party transactions
 - g. qualifications in the draft audit report
5. Review with the management, the quarterly financial statements before submission to the board for approval;
 6. Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
 21. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;



22. Review and monitor the auditor's independence and performance and effectiveness of audit process;
23. Examination of the financial statement and the auditors' report thereon;
24. Approval or any subsequent modification of transactions of the company with related parties;
25. Scrutiny of inter-corporate loans and investments;
26. Valuation of undertakings or assets of the company, wherever it is necessary;
27. Evaluation of internal financial controls and risk management systems;
28. Monitoring the end use of funds raised through public offers and related matters;
29. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and
30. The Audit Committee shall have authority to investigate into any matter in relation to the items specified (as mentioned at S.No. 21 to 28 above) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
31. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

b. Nomination and Remuneration Committee

Composition:

- The Nomination and Remuneration Committee was constituted by the Board with 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.

Composition of the Committee is given below:

Name of the Director	Designation
Mr. Y. Ravinder Reddy	Chairman
Ms. Sadhana Bhansali*	Member
Mr. U.C. Bandari**	Member
Mr. Kishore Jhunjunwala	Member

* Ms. Sadhana Bhansali Appointed on 30.09.2014

** Mr. U.C. Bandari Retired from the board on 30.09.2015

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;

Prudential Sugar Corporation Limited



- 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.
- Nomination and Remuneration Committee meetings
- During the period from April 1, 2014 to March 31, 2015, Nomination and Remuneration Committee Meetings were held on 2 times 14.08.2014, and 14.02.2015, 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	2	2
Ms. Sadhana Bhansali	Member	2	1
Mr. U.C. Bandari*	Member	2	1
Mr. Kishore Jhunjunwala	Member	2	2

* Mr. U.C Bandari Retired from the Board on 30.09.2014

- 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.
- 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, 2015:

Name of the Director	Amount Rs.
Mr. Vinod Baid	17,500
Mr. Kurra Subba Rao	17,500
Mr. Y. Ravinder Reddy	17,500
Ms. Sadhana Bhansali	2,500
Mr. Kishore Jhunjunwala	2,500
Mr. Maheswaran Nair Paramupillai	2,500
Mr. U.C. Bhandari	NIL

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

Name of the Director and Designation	Salary	Benefits	Bonuses	Pension	Commission	Service Contracts	Notice Period	Total
K. Subba Rao	1,080,000	-	9,500	-	-	-	As per the Rules of the Company	1,089,500

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.

Shares held by Non-Executive Directors

The number of equity shares of the Company held by Non-Executive Directors, as on March 31, 2015 are as follows:

Name of the Director	No. of Equity Shares (face value of Rs.10) held in the Company
Mr. Y. Ravinder Reddy	101
Ms. Sadhana Bhansali	-
Mr. Kishore Jhunjhunwala	101
Mr. Maheswaran Nair Paramupillai	101

c. Stake Holders Relationship, Grievance and Share Transfer Committee

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

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 redressal 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.

Name and designation of Compliance Officer:

Mr. Sandeep Kumar Daga, Company Secretary

Email-id for Investor Grievances: psclsugar@gmail.com

Number of Shareholders complaints received so far.: DATA FROM SECRETARIAL DEPT

- During the year ended March 31, 2015, the Company has received and resolved 218 complaints and there were no pending complaints as at the year end.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

**4. ANNUAL GENERAL 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
31.03.2012	26.12.2012	11.00 AM	Akash Ganga, Plot No. 144 Sri Nagar Colony, Hyderabad - 500 073
31.03.2013	30.09.2013	04.00 PM	Akash Ganga, Plot No. 144 Sri Nagar Colony, Hyderabad - 500 073
31.03.2014	30.09.2014	04.00 PM	Akash Ganga, Plot No. 144 Sri Nagar Colony, Hyderabad - 500 073

No Postal Ballot was conducted since the date of last Annual General Meeting.

- Special Resolutions passed during the previous three Annual General Meetings:
 - 23rd Annual General Meeting – September 30, 2014:
 - 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.
 - 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
 - 22nd Annual General Meeting - September 30 , 2013:

Appointment of Whole Time director :

Special Resolution was passed pursuant to the provisions of Sections 198, 269, 309, 310 and 311, Schedule XIII and appointed Mr.K.Subbarao as Whole Time Director of the company w.e.f 02.09.2013 for the period of 3Years.
 - 21st Annual General Meeting - September 29, 2012:

No special resolution was passed.
- 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 concern 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, 2015, 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 Managing Director and Whole Time Director is placed at periodic intervals for review by the Board.

The Company is in the process of filing relevant documents/information for the financial year 2014-15 with the Stock Exchanges in compliance with Clause 41 and Clause 47 (C) as the listing of the Company is under suspension.

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

The chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2014.

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 Managing Director and the CFO have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement and is separately annexed.

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

During the year ended March 31, 2015, 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 Clause 49 of the Listing Agreement. 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. 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 Clause 36 of the Listing Agreement, Whistle blower policy, and Risk Management Policy.

The Statutory Auditors and Internal Auditors of the Company will make a presentation to the Board of Directors with regard to provisions of Companies Act, 2013 and amended Clause-49 of the Listing Agreement 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

k. Related Party Transactions policy.

In terms of Clause 49 of the listing agreement, 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



6. MEANS OF COMMUNICATION

- a. Quarterly results: Quarterly financial results have been submitted with Stock exchanges
- b. News releases, presentations, etc.
Official news releases along with quarterly results are displayed on the Company's website: www.prudentialsugar.com
The Company presentations made to the investors/ analysts, if any, are placed on the Company's website: 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: 24th Annual General Meeting
Date: 28.12.2015
Time: 02:00 p.m.
Venue: HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, HMT Bearings Officers' Colony, Sainikpuri, Hyderabad - 500 094,
- b. Dates of Book Closures: 24th December, 2015 to 28th December 2015 (both days inclusive)
- c. Dividend Payment Date : - NIL -
- d. Listing on Stock Exchange: Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
BSE Limited	500342
Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai 400 001	

The listing fee for the year 2014-15 has been paid to the above stock exchange.
- e. Market Price Data: High and low during each month from April 1, 2014 to March 31, 2015. : Not Applicable since the company is 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.
Phones: 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 to be processed and the share certificates to be 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 as on 31st March, 2015

Share holding of Nominal value of Rs.		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10361	89.23	20834500	5.83
5,001 —	10,000	548	4.72	4641950	1.30
10,001 —	20,000	316	2.72	4871290	1.36
20,001 —	30,000	80	0.69	2035160	0.57
30,001 —	40,000	82	0.71	3126500	0.87
40,001 —	50,000	35	0.30	1686990	0.47
50,001 —	1,00,000	92	0.79	7297460	2.04
1,00,001	and above	98	0.84	313026150	87.55
Grand Total		11612	100.00	357520000	100.00

i. Shareholding Pattern as on 31st March, 2015

Category	No. of shares held	Percentage of shareholding
1 Promoters/Directors/ Associates	25058206	70.09
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	3965371	11.09
6 Indian Public	6374023	17.82
7 NRIs / OCBs	-	-
8 Others	-	-
Total	35752000	100.00

j. Dematerialisation of Shares & Liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 18535289 equity shares were dematerialised representing 51.84% of the total paid up equity share capital of the Company as on March 31, 2015.

ISIN: INE024D01016

k. Plant Location:

"Prudential Nagar" Koppedu Post, Nindra Mandal, Chittoor District 517 587, AP, 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/Warrants and there are no outstanding warrants or any Convertible instruments.

Prudential Sugar Corporation Limited



m. Address for Correspondence

Prudential Sugar Corporation Limited
"Akash Ganga", Plot No. 144, Srinagar Colony, Hyderabad - 500 073. Telangana State
Phones: 040-23746451; Fax: 040-66822871
Email: psclsugar@gmail.com
Website: www.prudentialsugar.com

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

Vinod Baid
Chairman
(DIN 00010142)

Place : Hyderabad
Date : 28.09.2015

DECLARATION

As provided under Clause-49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2015.

For **Prudential Sugar Corporation Limited**

K. Subba Rao
Whole Time Director

Place : Hyderabad
Date : 28.09.2015

Prudential Sugar Corporation Limited



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PRUDENTIAL SUGAR CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Prudential Sugar Corporation Limited ("the Company") for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad
Date : 28.09.2015

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

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, 2015 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material facts 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 : 28.09.2015

For **Prudential Sugar Corporation Limited**
Kurra Subba Rao
Whole Time Director

Pradeep Kumar Baid
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

To
The Members,
PRUDENTIAL SUGAR CORPORATION LIMITED
Hyderabad

Report on Financial Statements

We have audited the accompanying financial statements of Prudential Sugar Corporation Limited, Hyderabad, ("the Company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed there to in which are incorporated the return of Kolkatta Branch Audited by Branch Auditor, M/s Sibsankar & Associates, Chartered Accountants, Membership No. 052745 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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 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 Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India under Section 143 (10) 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

* **The company has not provided interest on accrual basis / certain liabilities, Refer Note No.22 (a). The impact is that the Loss for the year is understated by Rs. 70.76 lacs and cumulative impact is that the liabilities are understated by Rs. 1175.52 Lacs.**

Prudential Sugar Corporation Limited



- * 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. 22 (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 22(e) , 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. 22 (d), 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 possible effects of the matters described in the Basis for Qualified opinion paragraph, the financial statements, gives 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the 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, 2015 ("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 statement on the matters specified in paragraphs 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with rule 7 of the Companies(Accounts) Rules,2014.
 - e. On the basis of the written representations received from the Directors, as on March 31,2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in the terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 in our opinion and to the best of our information and according to the explanation given to us.
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements,
 - ii. In our opinion and as per information and explanations given to us, the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses, and
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Hyderabad
Date : 28.09.2015

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



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

1. a. According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However the same needs to be updated.
b. According to the information and explanations furnished to us, all the 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.
2. a. According to the information and explanations furnished to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. According to the information and explanations furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the company has not granted any loans secured or Unsecured to Companies, firms or other Parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, during the year the Company has not accepted any deposits in terms of Directives issued by the Reserve Bank of India and provision of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. 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 Companies Act, 2013 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.
7. a. According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, Value Added tax, Cess and any other material statutory dues applicable to it except Provident fund which was deposited with delays.
b. According to the information and explanations given to us, the undisputed amounts payable in respect of Income tax, CDCF and Purchase Tax were in arrears as at 31st March, 2015 for a period more than six months from the date they became payable amounting to Rs.353.91 lacs.
c. According to the information and explanations given to us, there are no dues of Income tax,

Prudential Sugar Corporation Limited



Wealth Tax, Service Tax, Customs duty, Excise Duty and Cess which are not deposited on account of dispute except Sales Tax of Rs.11.15 Lacs and Purchase Tax of Rs.1104.78 Lacs for which appeal/Petition are pending before appropriate Authorities/Courts.

- d. In our opinion and according to information and explanations given to us amounts required to be transferred to Investor Education and Protection Fund in accordance with relevant provision of Companies Act, 1956 (1 of 1956) and Rules made there under have been transferred to such fund within time.
8. In our opinion, the company has no accumulated losses as at 31.03.2015. It has incurred cash losses in the financial year ended on that date . However it has not incurred any cash loss in the immediately preceding financial year.
9. According to the information and explanations given to us, the company has not defaulted in repayment of dues to Financial Institutions, Bank and Debenture Holders as at Balance Sheet date except dues to IIBI for a sum of Rs.11.27 Lacs.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
11. According to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

Place : Hyderabad
Date : 28.09.2015

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, 2015

PARTICULARS	Notes	As at 31.03.2015 In Rupees	As at 31.03.2014 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	1	372,070,000	372,070,000
Reserves and surplus	2	<u>41,523,832</u>	<u>65,579,815</u>
		<u>413,593,832</u>	<u>437,649,815</u>
2. Non-current liabilities			
Long-term borrowings	3	127,127,000	1,127,000
Long-term provisions	4	<u>8,021,230</u>	<u>8,021,230</u>
		<u>135,148,230</u>	<u>9,148,230</u>
3. Current liabilities			
Short-term borrowings	5	27,441,625	154,330,063
Trade payables		402,062,629	352,472,501
Other current liabilities	6	175,470,115	69,704,826
		<u>604,974,369</u>	<u>576,507,390</u>
TOTAL (of 1,2,3)		<u>1,153,716,432</u>	<u>1,023,305,435</u>
II. ASSETS			
Non-current assets			
1. Fixed assets			
Tangible assets	7	183,287,123	217,559,483
Non-current investments	8	255,528,005	5,528,005
Deferred tax assets (net)		71,826,020	59,232,073
		<u>510,641,148</u>	<u>282,319,561</u>
2. Current assets			
Inventories	9	500,408,753	512,023,278
Trade receivables	10	66,391,892	58,410,509
Cash and cash equivalents	11	30,726,881	7,430,053
Short-term loans and advances	12	45,547,758	163,122,034
		<u>643,075,284</u>	<u>740,985,874</u>
TOTAL (of 1,2)		<u>1,153,716,432</u>	<u>1,023,305,435</u>
III. SIGNIFICANT ACCOUNTING POLICIES	21		
NOTES TO ACCOUNTS	22		

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
	Sandeep Daga	Pradeep Kumar Baid	For Laxminiwas & Jain
	Company Secretary	Chief Financial Officer	Chartered Accountants
			Firm Regn. No. 001859S
Place : Hyderabad	Vinod Baid	K. Subba Rao	Smt. Sharada G. Patil
Date : 28.09.2015	Chairman	Director	Partner
			Membership No. 015332

Prudential Sugar Corporation Limited



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	Notes	Year ended 31.03.2015 In Rupees	Year ended 31.03.2014 In Rupees
I. Income			
Revenue from operations	13	879,448,930	819,525,643
Less: Excise Duty		37,858,218	37,827,935
		<u>841,590,713</u>	<u>781,697,708</u>
Other income	14	3,624,715	612,698
Total Revenue (I)		<u>845,215,428</u>	<u>782,310,406</u>
II. Expenses:			
Cost of materials consumed	15	685,313,790	693,494,654
Purchases of Stock-in-Trade		—	—
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	16	12,784,136	(99,652,510)
Employee benefits expense	17	62,954,651	56,360,270
Finance costs	18	17,919,760	24,307,183
Depreciation and amortization expense	19	10,996,589	28,550,132
Other expenses	20	66,276,238	63,156,788
Total Expenses (II)		<u>856,245,163</u>	<u>766,216,517</u>
Profit before Exceptional, Extraordinary items & Taxation		(11,029,735)	16,093,889
Tax of Earlier Years		393,901	—
MAT of Earlier years	3,781,820	—	—
Less: MAT Credit Entitlement	3,781,820	—	—
Less: Deferred Tax Assets		(4,406,755)	5,494,232
Profit / (Loss) for the year from continuing operations		<u>(7,016,881)</u>	<u>10,599,657</u>
Earnings per equity share:			
Basic		(0.21)	0.33
Diluted		(0.22)	0.32
III. SIGNIFICANT ACCOUNTING POLICIES	21		
NOTES TO ACCOUNTS	22		

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
	Sandeep Daga	For Laxminiwas & Jain
	Company Secretary	Chartered Accountants
	Pradeep Kumar Baid	Firm Regn. No. 001859S
	Chief Financial Officer	Smt. Sharada G. Patil
Place : Hyderabad	Vinod Baid	Partner
Date : 28.09.2015	Chairman	Membership No. 015332
	K. Subba Rao	
	Director	

Prudential Sugar Corporation Limited



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	31.03.2015 <i>(Rs. in lakhs)</i>	31.03.2014 <i>(Rs. in lakhs)</i>
<u>Cash flow from Operating activities</u>		
Net Profit before Tax and Extraordinary items	(114.24)	160.94
Adjustments for :		
Depreciation	109.97	285.50
Interest paid	179.20	243.07
Other Income	(36.25)	(6.12)
Operating Profit before working capital changes	<u>138.68</u>	<u>683.39</u>
Adjustments for:		
Decrease/(Increase) in Trade and Other Receivables	1095.93	(303.91)
Decrease/(Increase) in inventories	116.15	(982.19)
(Decrease)/Increase in Trade Payables/current liabilities	1553.55	(370.62)
Cash generation from operations (A)	<u>2904.31</u>	<u>(973.33)</u>
<u>Cash flow from Investing Activities</u>		
Purchase of Fixed assets	(19.51)	(40.00)
Proceeds from sale of fixed assets	0.00	0.00
Other Income	36.25	6.12
Net Cash flow from Investing activities (B)	<u>16.74</u>	<u>(33.88)</u>
<u>Cash flow from Financing activities</u>		
Repayment of Long Term Borrowings	1260.00	(169.11)
Repayment of Short Term Borrowings	(1268.88)	180.29
Interest paid	(179.20)	(243.07)
Investments	(2500.00)	—
Receipt of Share Money from partly paid Shares	—	487.50
Share Premium Received	—	650.00
Net Cash flow from Financing activities (C)	<u>(2688.08)</u>	<u>905.61</u>
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	232.97	(101.60)
Add: Opening Cash and cash equivalents	74.30	175.90
<i>Cash and cash equivalents at the end of the period</i>	307.27	74.30

For and on behalf of the Board

As per our report of even date

Sandeep Daga
Company Secretary

Pradeep Kumar Baid
Chief Financial Officer

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

Place : Hyderabad
Date : 28.09.2015

Vinod Baid
Chairman

K. Subba Rao
Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

Prudential Sugar Corporation Limited



**As at 31.03.15
In Rupees**

**As at 31.03.14
In Rupees**

1. SHARE CAPITAL

Authorised

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

Issued

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

Subscribed & Fully Paid up

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

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	8,750,000	8,750,000
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1000000 16% Cum.Redemable Pref.Shares of Rs.50/- each Rs. 40/- per share each called up and paid up	40,000,000	40,000,000
Total	<u>48,750,000</u>	<u>48,750,000</u>

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 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Vab Ventures Limited	10,377,599	29.03	10,377,599	29.03
2. Bank of India	3,500,500	9.79	3,500,500	9.79
Pledgee of Shares of the following Companies)				
a. Premier Fiscal Services P. Ltd.	1,500,500			
b. Premier Industrial & Commercial Services Private Ltd.	1,000,000			
c. J.M. Properties Private Ltd.	500,000			
d. Baid Apartments Private Ltd.	500,000			
3. Chadalavada Krishna Moorthy	2,125,000	5.94	2,125,000	5.94
4. Sucharitha Manda	2,000,000	5.59	2,000,000	5.59

Prudential Sugar Corporation Limited



As at 31.03.15
In Rupees

As at 31.03.14
In Rupees

2. RESERVES AND SURPLUS

Capital Reserves

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

Surplus/(Deficit) in the Statement of Profit and Loss

Opening balance	(920,189)	(11,519,843)
(+) Net Profit/(Net Loss) For the current year	(7,016,881)	10,599,657

Share Premium Account

Premium @ Rs.10/- on 65,00,000 Equity shares	65,000,000	65,000,000
Less: Adjustments on evaluation of useful life of Fixed Assets	25,226,290	
Less: Deferred Tax on above	8,187,192	(17,039,098)
Closing Balance	<u>40,023,832</u>	<u>64,079,815</u>
Total	<u>41,523,832</u>	<u>65,579,815</u>

3. LONG TERM BORROWINGS

a. Term loans

Rupee loan from banks - IIBI Limited	1,127,000	1,127,000
Rupee loan from banks	126,000,000	—
Total	<u>127,127,000</u>	<u>1,127,000</u>

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)	8,021,230	8,021,230
Total	<u>8,021,230</u>	<u>8,021,230</u>

Prudential Sugar Corporation Limited



**As at 31.03.15
In Rupees**

**As at 31.03.14
In Rupees**

5. CURRENT LIABILITIES

SHORT TERM BORROWINGS

Cash credit from Banks (Secured)	16,241,625	100,308,313
Crop Loan (Secured)	—	42,000,000

16,241,625	142,308,313
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Unsecured

a. Other Loans and advances

From Others	11,200,000	11,200,000
From Others (corporate)	—	821,750

11,200,000	12,021,750
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Total

27,441,625	154,330,063
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TRADE PAYABLES

402,062,629	352,472,501
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5.1 The above borrowings from banks are 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. OTHER CURRENT LIABILITIES

a. Interest accrued but not due on borrowings	3,643,615	4,167,468
b. Accrued Salaries and Benefits	7,563,965	6,139,803
c. Statutory Dues	52,420,929	36,398,760
d. Vehicle Loan	—	152,000
e. Others	111,841,606	22,846,796

175,470,114	69,704,826
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(In Rupees)

7. FIXED ASSETS

SL. No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION						NET BLOCK	
		Cost upto 01.04.2014	Additions during the year	Deductions during the year	Cost upto 31.03.2015	Upto. 31.03.2014	Depreciation for the year	Deduction during the year	Adjustment to opening balance of retained	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Land	16,343,937	—	—	16,343,937	—	—	—	—	—	16,343,937	16,343,937
2	Plant & Machinery	430,457,923	1,921,526	—	432,379,449	313,719,769	3,659,017	—	25,031,840	342,410,626	89,968,823	116,738,154
3	Furniture & Fittings	24,283,141	28,990	—	24,312,131	23,537,799	103,175	—	76,879	23,717,853	594,278	745,342
4	Buildings	157,717,744	—	—	157,717,744	75,197,626	6,705,116	—	—	81,902,742	75,815,002	82,520,118
5	Vehicles	5,828,175	—	—	5,828,175	4,616,245	529,291	—	117,571	5,263,107	565,068	1,211,513
	Total	634,630,920	1,950,516	—	636,581,436	417,071,438	10,996,600	—	25,226,289	453,294,327	183,287,109	217,559,065
	Previous Year	630,630,757	4,000,163	—	634,630,920	388,521,306	28,550,132	—	—	417,071,438	217,559,482	242,109,034

Prudential Sugar Corporation Limited



As at 31.03.15
In Rupees

As at 31.03.14
In Rupees

8. 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	—
c. 12,50,000 Preference Shares @ Rs 100/- each paid up in Discovery Infoways Limited	125,000,000	—

Other Investments

National Savings Certificate (Deposited with Forest Department)	11,000	11,000
Total	255,528,005	5,528,005

9. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

a. Work-in-progress	3,078,000	4,100,000
b. Finished Goods	440,392,187	452,154,124
c. Stores and spares	56,727,027	55,515,236
d. Loose Tools	211,539	253,919
Total	500,408,753	512,023,278

10. TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)

Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	66,391,892	58,410,509
Less: Provision for doubtful debts	—	—
Total	66,391,892	58,410,509

11. CASH AND BANK BALANCES

a. Balances with banks in Current accounts	20,628,828	6,269,851
b. Interest Receivables from Govt of India A/c	9,821,550	753,954
c. Cash on hand*	276,503	406,248
Total	30,726,881	7,430,053

12. SHORT TERM LOANS AND ADVANCES

a. Loans and advances to others

Loans and advances to employees	930,178	944,067
Prepaid Expenses	383,389	100,103
Balances with Statutory/Government Authorities	4,890,693	5,693,802
Others	39,343,498	156,384,061
Total	45,547,758	318,119,429

Prudential Sugar Corporation Limited



	For the year ended 31.03.15 In Rupees	For the year ended 31.03.14 In Rupees
13. REVENUE FROM OPERATIONS		
Sale of products	879,448,930	819,525,643
Sale of services	—	—
Other operating revenues		
Scrap sales	—	—
Less: Excise duty	<u>37,858,218</u>	<u>37,827,935</u>
Total	<u>841,590,713</u>	<u>781,697,708</u>
14. OTHER INCOME		
Interest Income (TDS Rs.322,416, prev. year Rs.13,410)	3,253,699	134,087
Claims Received from Insurance	352,967	386,484
Misc & Others	18,049	92,127
Total	<u>3,624,715</u>	<u>612,698</u>
15. COST OF RAWMATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	—	—
Add: Purchases	685,313,790	693,494,654
Less: Inventory at the end of the year	—	—
Cost of Raw materials and Components Consumed	<u>685,313,790</u>	<u>693,494,654</u>
16. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	3,078,000	4,100,000
Finished Goods	440,392,187	452,154,123
	<u>443,470,187</u>	<u>456,254,123</u>
Inventories at the beginning of the year		
Work in Progress	4,100,000	4,700,500
Finished Goods	452,154,323	351,901,114
	<u>456,254,323</u>	<u>356,601,614</u>
Total	<u>(12,784,136)</u>	<u>99,652,510</u>
17. EMPLOYEE BENEFIT EXPENSES		
a. Salaries, Wages and Bonus	55,918,979	50,449,622
b. Contributions to Provident and other funds	3,966,7659	2,671,297
c. Gratuity expenses	705,951	1,705,438
c. Staff welfare expenses	2,362,962	1,533,913
Total	<u>62,954,651</u>	<u>56,360,270</u>

Prudential Sugar Corporation Limited



**For the year
ended 31.03.15
In Rupees**

For the year
ended 31.03.14
In Rupees

18. FINANCE COST

Interest expense	17,919,760	24,307,183
Total	17,919,760	24,307,183

19. DEPRECIATION

Depreciation of Tangible Assets	10,996,589	28,550,132
Total	10,996,589	28,550,132

20. OTHER EXPENSES

Consumption of Stores & Spares	7,665,302	7,574,589
Power & Fuel	6,857,195	7,152,006
Handling charges	2,662,788	2,230,294
Repairs and maintenance		
To Plant & Machinery	16,382,803	19,195,530
To Buildings	490,832	880,375
To Others	1,580,243	1,611,883
Insurance	725,128	683,181
Rates & taxes	363,370	428,804
Legal & Professional Fees	2,651,138	517,563
Packing Materials	19,091,968	17,359,493
Bank charges	200,790	189,971
Printing & Stationery	205,810	296,686
Telephone & Internet Charges	448,013	253,378
Travelling Expense	2,916,239	1,195,805
Sales commission	833,075	725,820
Business Promotion	129,880	36,561
Rent	260,600	180,500
Miscellaneous Expense	2,611,064	2,444,348
Total	66,076,238	62,956,788
Payment to Auditors		
Audit Fee	175,000	175,000
Tax Audit Fee	25,000	25,000
Total	200,000	200,000



NOTE: 21

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 as specified in Schedule II of Companies Act , 2013.

c. Investments

Investments are stated at cost price.

d. Inventories

1. Sugar is valued at cost price or net realizable value which ever 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 other wise.
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.

For and on behalf of the Board

As per our report of even date

Sandeep Daga
Company Secretary

Pradeep Kumar Baid
Chief Financial Officer

For **Laxminiwas & Jain**
Chartered Accountants

Firm Regn. No. 001859S

Place : Hyderabad
Date : 28.09.2015

Vinod Baid
Chairman

K. Subba Rao
Director

Smt. Sharada G. Patil
Partner
Membership No. 015332



NOTE 22

NOTESTO 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. 15.99 lacs (P.Y. - Rs.14.93 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 upto 31.03.2015 shall stand to Rs.5634.99 lacs (P.Y. - Rs.4801.48 Lacs) on account of Dividend.
5. Disputed claim of interest on delayed payment of Purchase Tax Rs.1104.78 lacs. (P.Y. - Rs.1035.08 lacs)
6. Disputed claim of penal charges on delayed payment of Provident Fund Rs.9.87 lacs. (P.Y. - Rs.9.87 lacs)

b. IIBI

M/s. VAB Ventures has informed that they have finalized the amount with Edelweiss Assets Management Co. Ltd., and made the balance payment to them. The Company is in the process of finalizing the amount payable to M/s. VAB Ventures and get the charge on Assets satisfaction. Pending finalization of the amount payable to M/s. VAB Ventures, no further provision had been made in the books of accounts.

Company is in the process of negotiating the outstanding amount payable to IIBI which was purchased by Edelweiss Assets Management Company Limited, Mumbai. There is outstanding of Rs.11.27 lacs payable in the books of accounts. Pending Final settlement no provision has been made in the books of accounts for interest etc.

c. Custom Duty on Import of Raw Sugar:	31.03.15	31.03.14
Export Obligation:	4638 Mts	4638 Mts
Duty component to be paid in case of non fulfillment of obligation	Rs.483.62 lacs	Rs.483.62 lacs

** No provision is considered necessary since the company expects favorable decision/fulfilling obligation in all the above cases.

Prudential Sugar Corporation Limited



d. 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.

e. 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.

f. Auditors' remuneration represents	31.03.2015	31.03.2014
	Rupees	Rupees
a. Statutory Audit Fees	1,75,000	1,75,000
b. Tax Audit Fees	25,000	25,000
	<u>2,00,000</u>	<u>2,00,000</u>
g. Tax deducted at sources on interest receipts	<u>3,22,495</u>	<u>13,410</u>

h. There are no Micro and Small Enterprises to whom the company owes amounts which are outstanding as at 31st March 2015. 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.

i. The company operation consists only one segment – Sugar and therefore the figures given relates to one segment.

j. Earnings per shares (EPS)	2014-15	2013-14
	(Rs.in lacs)	(Rs. In lacs)
Basic and Diluted:		
Profit/(Loss) attributable to equity holders	(70.17)	104.72
Weighted average number of shares	3,31,27,000	3,31,27,000
EPS - (Rs.)	(0.21)	0.32

k. 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 01.04.2014 (Rs.in lacs)	(Charge)/Credit for the current year (Rs.in lacs)	Deferred Tax Asset/ (Liability) as at 31.03.2015 (Rs. In lacs)
1. Deferred Tax Asset			
Items covered u/s 43 B	193.88	(8.90)	202.78
Brought forward losses	822.99	(24.90)	847.88
Sub Total - A	<u>1016.87</u>	<u>(33.80)</u>	<u>1050.66</u>
2. Deferred Tax Liability			
Depreciation	424.55	92.15	332.40
Sub Total - B	<u>424.55</u>	<u>92.15</u>	<u>332.40</u>
3. NET AMOUNT	<u>592.32</u>	<u>125.95</u>	<u>718.26</u>



I. 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.

m. RELATED PARTY DISCLOSURES

I. RELATED PARTIES

A. KEY MANAGERIAL PERSONNEL

Sri Vinod Baid, Chairman

B. ENTERPRISES IN WHICH KEY MANAGERIAL PERSONNEL ARE INTERESTED

Gennex Laboratories Ltd.

VAB Ventures Ltd.

n. Additional Information:

A. PARTICULARS REGARDING CAPACITY.

Class of Goods	As on 31.03.2015		As on 31.03.2014			
	Unit	Quantity	Unit	Quantity		
i. Sugar-Capacity						
a) Licenced	TCD	2500	TCD	2500		
b) Installed	TCD	2500	TCD	2500		
c) Actual production	QTs.	277380	QTs	270750		
ii. Molasses (by product)						
a) Actual production	MTs	14600	MTs	14734		
iii. Sales & Stock						
	Unit	Qty.	2015 Value Rs. in Lacs	Unit	Qty.	2014 Value Rs. in Lacs
a) Sales						
Sugar	QTs	271598	7778.54	QTs	242837	7039.93
Molasses	MTs	14387	777.01	MTs	17883	885.55
Bagasse	MTs	15828	233.72	MTs	18569	262.94
Filter Cake	MTs	4174	5.22	MTs	3903	6.83
			<u>8794.49</u>			<u>8195.25</u>
b) Stock						
Sugar	QTs	146055	4162.56	QTs	139713	4337.24
Molasses	MTs	4001	224.08	MTs	3788	108.80
Bagasse	MTs	1200	17.27	MTs	1250	3.50
Sugar-in-Process	QTs	1080	30.78	QTs	1640	41.00
			<u>4434.69</u>			<u>4562.5</u>
iv. Details of Raw Material Consumed						
Sugarcane	MTs	302788	6853.14	MTs	298953	6938.16
			<u>6853.14</u>			<u>6938.16</u>

Prudential Sugar Corporation Limited

v. Value of imported and indigenous material consumed

Raw material	Percentage	Amount	Percentage	Amount
Indigenous	100	6853.14	100	6938.16
Imported	0	—	—	—
		<u>6853.14</u>		<u>6938.16</u>

vi. Value of imported and indigenous chemicals and consumables consumed

Chemicals & consumables	Percentage	Amount	Percentage	Amount
Indigenous	100	76.65	100	72.72
Imported	—	—	—	—
		<u>76.65</u>		<u>72.72</u>

o. Earnings / outgo in foreign currency— Nil

p. Pursuant to enactment of Companies Act, 2013, the company has applied the estimate useful life as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated/ amortized over the remaining/ revised useful life. The written down value (net off Deferred Tax of Rs.81.87 Lacs) amounting to Rs. 170.39 Lacs of Fixed Asset whose lives has expired as at 01.04.2014 has been adjusted, in opening balance of Profit and Loss Account.

q. 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	:	31.03.2015			

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	:	11,537.16	Total Assets	:	11,537.16
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Source of Funds

Paid up Capital (Equity)	:	3312.70	Paid up Capital (Preference)	:	408.00
Reserves & Surplus	:	415.23	Secured Loans	:	1433.68
Unsecured Loans	:	112.00	Current Liabilities	:	5855.54

Application of Funds

Net Fixed Assets	:	1832.87	Investments	:	2555.28
Net Current Assets	:	6430.75	Misc. Exps.	:	—
Profit and Loss A/c	:	—	Deferred Tax Asset	:	718.26

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

Turnover	:	8415.90	Total Expenditure	:	8562.45
Profit before Tax	:	(110.29)	Prior period adjustments	:	Nil
Profit after Tax	:	(70.17)	Earning per Share	:	0.21
Dividend Rate	:	NIL			

5. Generic Names of three Principal Services of Company

Item Code No. (ITC Code)	:	170111.09
Product Description	:	S U G A R

For and on behalf of the Board

Sandeep Daga
Company Secretary**Pradeep Kumar Baid**
Chief Financial OfficerPlace : Hyderabad
Date : 28.09.2015**Vinod Baid**
Chairman**K. Subba Rao**
Director

PRUDENTIAL SUGAR CORPORATION LIMITED

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

PROXY FORM

Folio No.....

I/We ofin
..... ..being a Member(s) of PRUDENTIAL SUGAR CORPORATION LIMITED
hereby appoint..... of or failing
him/her..... ofin the district of
.....as my/our proxy to attend and vote for me/us, on my/our
behalf at the 24th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 28th
December, 2015 at 02.00 PM at HMT Bearings Officers' Colony Community Function Hall, IV Avenue
Road, HMT Bearings Officers' Colony, Sainikpuri, Hyderabad - 500 094 and at any adjournment
thereof.

Signed this day of Two Thousand Fifteen.

Signature(s) of the Shareholder(s)

Folio No.

No. of Shares

Distinctive Nos.



(Signature of the Member across the Stamp)

Note:1. This form must be deposited at the Registered Office of the Company not later than 48 hours before the time
forholding the Meeting.

2. A PROXY NEED NOT BE A MEMBER

PRUDENTIAL SUGAR CORPORATION LIMITED

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

ATTENDANCE SLIP

Folio No.

Name of the attending Member

Name of the Proxy*.....

*(If Proxy attends instead of member)

I hereby record my presence at the 24th Annual General Meeting.

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

Date : Monday, 28th December, 2015

Time : 02.00 PM

Signature of the Member/Proxy

Note: Please fill this Admission slip and hand it over at the entrance. Shareholders who come to attend the meeting are
requested to bring the copies of the Annual Report also with them.




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

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If undelivered, please return to:



Prudential Sugar Corporation Limited

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