Prudential Sugar Corporation Limited

Regd. Office : "Akash Ganga" Plot No. 144, Srinagar Colony, Hyderabad - 500 073. T.S. INDIA
Tel : +91-40-23746451, 67334412, Fax : +91-40-67334433 | Email : psclsugar@gmail.com | www.prudentialsugar.com
CIN : L15432TG1990PLC032731

Ref: PSCL/AR/BSE/2016-17/0031

Date: 09/01/2017.

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

Sub: Submission of Annual Report of the Company for the Financial Year 2015-16

Scrip Code: 500342

Dear Sir/Madam,

We are forwarding herewith a copy of Annual Report of the Company for the Financial Year 2015-16 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, duly approved and adopted by members in the 25th Annual General Meeting of the Company as per the provisions of Companies Act, 2013.

This is for your information and record

Thanking you

Yours faithfully
For Prudential Sugar Corporation Limited

Authorized Signatory

Encl: as above

25th Annual Report
2015-2016

Prudential Sugar Corporation Limited

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

STATUTORY AUDITORS

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

BRANCH AUDITOR

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

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

REMUNERATION AND NOMINATION COMMITTEE

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

EXECUTIVE OFFICER

Mr. K. Subba Rao —*Whole Time Director*
Mr. Pradeep Kumar Baid —*Chief Financial Officer*
Mr. Sandeep Daga —*Company Secretary*

FACTORY

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

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Prudential Sugar Corporation Limited will be held on Friday, the December 30, 2016 at 11:00 AM at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, 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, 2016 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, 2016 and the Statement of Profit & Loss for the year ended 31st March, 2016 together with their annexures and the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."

2. To appoint a director in the place of Mr. Vinod Baid (DIN 00010142), 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. Vinod Baid (DIN: 00010142) be and is hereby re-appointed as a director liable to retire by rotation.

3. To ratify the continuation of the Statutory Auditors. The Statutory Auditors M/s. Laxminiwas & Jain., Chartered Accountants are eligible for continuing appointment and to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and 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, who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 26th AGM, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company."

   ""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. Re-appointment of Mr. Kurra Subba Rao (DIN 02552019), as Whole Time Director of the Company Consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to approvals, if any, as may be required from the Financial Institutions and other authorities concerned, Shri. Kurra Subba Rao (DIN 02552019) be and is hereby re-appointed as Whole Time Director of the Company for a further period of three years with effect from August 13, 2016, on the following remuneration:

   Salary: Rs.110,000/- Per Month in the scale of Rs.110,000-150,000 Perquisites: As mutually agreed between the Whole Time Director and the Company, but restricted to 75% of the salary. In

addition to this, and subject to the ceiling on the overall remuneration mentioned below, Mr. Kurra Subba Rao, Whole Time Director will be entitled to the reimbursement of actual medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his family.

Commission: At 2 % of the net profit of the Company.

""FURTHER RESOLVED THAT in addition to the above remuneration, Mr. Kurra Subba Rao, Whole Time Director will be eligible for contribution to PF, Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure".

"FURTHER RESOLVED THAT the overall remuneration i.e. the aggregate of salary, perquisites and commission payable to Mr. Kurra Subba Rao, Whole Time Director in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provision of the Companies Act, 2013 read with its Schedule V as in force from time to time."

"FURTHER RESOLVED THAT where in any financial year during Mr. Kurra Subba Rao's tenure as the Whole Time Director, the Company has no profits or its profits are inadequate, the remuneration payable to him for the said financial year will be restricted to the limits prescribed in Section II of Part II of the Schedule V to the Companies Act, 2013 or amendments, if any, thereof for the time being in force."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Kurra Subba Rao, Whole Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above resolutions."

5. 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.75000/- 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."

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

Vinod Baid
Chairman
(DIN 00010142)

Place : Hyderabad
Date : 02.12.2016

NOTES

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote at a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of Listing Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 26th December, 2016 to 30th December, 2016 (both days inclusive).
10. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.

    SEBI has also mandated that for registration of transfer of securities, the transferee as well as transferor shall furnish a copy of their PAN card to the Company.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members who are holding shares in physical forms are requested to notify changes in their respective address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's

Registrar i.e. R&D Infotech (P) Ltd., 1st Floor, 7A, Beltala Road,, Kolkata–700 026. Beneficial owners holding shares in electronic form are requested to intimate change in address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). Members are requested to register/ update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form

13. Electronic copy of the Annual Report for the financial year 2015-16 along with the Notice of the 25th 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 copy of the Annual Report for the financial year 2015-16 along with Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
14. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for the financial year 2015-16 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.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant
16. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically
17. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company during normal business hours on all working days.
18. 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 members of the Company at the meeting.
19. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

Voting through electronics means:

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

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

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting 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 Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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

1. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL https://www.evoting.nsdl.com/
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles
7. Select EVEN (E-Voting Event Number) of PRUDENTIAL SUGAR CORPORATION LIMITED. Members can cast their vote online from December 27, 2016 (9:00 am) till December 29, 2016 (5:00 pm).
8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **sweetykapoor53@rediffmail.com** with a copy marked to evoting@nsdl.co.in

General instructions:

11. The e-voting period commences on December 27, 2016 (9:00 am) till December 29, 2016 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently

a. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd of December, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
b. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
c. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
d. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd of December, 2016
e. Ms. Sweety Kapoor, Practicing Company Secretary, has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
f. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
g. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
h. The results declared along with the Scrutinizer's Report shall be placed on the Company's website 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 25th 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.

EXPLANATORY STATEMENT

THE FOLLOWING EXPLANATORY STATEMENT, PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("ACT"), SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED AT ITEM NOS. 3 TO 5:

Item No. 3

Ratification of Appointment of M/s. Laxminiwas & Jain as the Statutory Auditors of the Company.

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S),Hyderabad were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on September 30, 2014. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at Item no. 3 of the Notice.

The Board recommends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No. 4

Mr. Kurra Subba Rao was appointed as the Whole Time Director of the Company for a period of three (3) years with effect from 16/05/2013 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on 30th September 2013. As such, the present term of office of Mr. Kurra Subba Rao shall expire on 15/05/2016. Mr. Kurra Subba Rao has been associated with the Company since 2013 and currently holds overall responsibility for the working of the Company. Keeping in view the contribution made by Mr. Kurra Subba Rao for the growth of the Company, the Board of Directors in their meeting on 30th April, 2016 has been re-appointed Mr. Kurra Subba Rao for a period of three (3) years effective from 16th May, 2016, who shall be liable to retire by rotation, with terms and conditions as mentioned in the above Resolution No 4.

Except Mr. Kurra Subba Rao none of Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice. The board recommends this resolution for your approval.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors for the Financial Year 2016-17 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.5 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.

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

Name of the Director	Mr. Kurra Subba Rao
DIN	02552019
Date of Birth	05.06.1949
Age	67 years
Qualification	B.Tech. (Mech.), B.O.E.
Experience	He has vast experience in sugar business and various other Industries
Relationship with other director/ Manager and other KMP	No relationship
No. of Shares held	—
Directorships of other Board	1
Membership/Chairmanship of Committees of other Board	1

Name of the Director	Mr. Vinod Baid
DIN	00010142
Date of Birth	11.02.1960
Age	56 years
Qualification	B.Com., FCA and MIIA (USA)
Experience	After practicing as a Chartered Accountant for five years, he successfully carried on the business of stock broking and Merchant Banking. Then he ventured into the manufacturing industry and pioneered many industries under his able leadership. He is having wide knowledge of Industry, trade, finance, legal, banking, capital market etc
Relationship with other director/ Manager and other KMP	No relationship
No. of Shares held	15007
Directorships of other Board	Nil
Membership/Chairmanship of Committees of other Board	Nil

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

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

By Order of the Board
for **Prudential Sugar Corporation Limited**
Vinod Baid
Chairman
(DIN 00010142)

Place : Hyderabad
Date : 02.12.2016

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 25th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2016.

Financial Results

The performance for the Financial Year ended March 31, 2016 is as under:

(Rs. in Lakhs)

	for the Year ended 31.03.2016	for the Year ended 31.03.2015
Total Income	**9817.99**	8794.48
Profit/(Loss) before Interest and Depreciation	**(2143.70)**	178.86
Less: Interest	**178.55**	179.19
Profit/(Loss) after Interest but before Depreciation & Tax	**(2322.25)**	(0.33)
Less: Depreciation	**184.53**	109.96
Profit/(Loss) before tax	**(2506.78)**	(110.30)
Provision for Tax:		
- Taxation for earlier year	**—**	3.93
- Current	**—**	—
- Deferred Tax Asset	**807.68**	44.07
Profit/(Loss) after Tax and Dividend	**(1699.10)**	(70.17)
Add: Balance brought from previous year	**(249.76)**	(9.19)
Surplus/(Loss) carried to Balance Sheet	**(1948.86)**	(79.36)

State of the Company's Affairs

During the crushing season 2015-2016 Company has crushed 296278 MT's of cane as against 302799 MTs of cane crushed during crushing season 2014-15. The average recovery during the year under review 7.53% 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 sixth 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 which was the lowest in six years. The scenario in India is no different with the production outstripping demand for the sixth year in succession. A carryover stock of 9.08 million tonnes of previous years and estimated surplus production, led to a crash in sugar price to around Rs. 21.50 per kg by July 2015.

However, the introduction of Minimum export quota on all sugar mills linked with incentive to the farmers has helped to improve the sugar price. Further due to the drought conditions prevailing in Maharashtra and parts of Karnataka, the production estimates were revised downward to 25.1 Million

tonnes for the sugar year 2015-16. This has helped in firming up of sugar price further from December 2015 onwards and reached Rs.33/kg level by end March 2016.

The following were the major developments that had taken place during the year under review.

a. Govt. of India has introduced "minimum indicative export quota" (MIEQ) to all sugar mills in order to liquidate some amount of surplus sugar from the market. Further a direct incentive of Rs.45 per Ton of cane was also announced to the farmers of those mills which comply with the obligation, (i.e., 80% of MIEQ) in order to compensate the losses incurred through such exports.

b. Excise duty is exempted for Ethanol supplied to Public Sector Oil Companies under Ethanol Blending Program (EBP) with effect from 1st October 2015.

c. Excise duty on Molasses used for production of Ethanol is exempted with effect from 1st October, 2015.

d. Government of India has notified an interest subsidy soft loan for one-year period. Under the said Scheme the interest subvention will be 12% borne by the Government of India and interest over and above that will be borne by the Company. The maximum eligible amount to each mill under this scheme shall be 11% of the value of sugar produced during the sugar year 2013-14.

Share Capital:

Authorized Share Capital

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2016 was Rs.75,00,00,000/-, comprising of 5,00,00,000 equity shares of Rs.10.00 each and 50,00,000 Nos. of 16% Cum Redeemable Preference shares of Rs.50/-.

Paid-up Share Capital

During the Financial Year 2015-16, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2016 was Rs. 372,070,000/-, comprising of the following

1,54,06,400 equity shares of Rs.10/- each

1,03,45,600 Equity shares of Rs.10/- each

(Converted from 2586400 Equi-pref Shares of Rs 40/- each)

20,000 16% Cum. Redeemable Pref. Shares of Rs.40/- each

(Rs.10/- converted into Equity)

65,000,00 Equity shares of Rs.10/- each

Buy Back of Securities

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

Sweat Equity

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

Bonus Shares

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

Employees Stock Option

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

Dividend

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

Transfers to Reserves

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

Fixed Deposits

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

Listing of Equity Shares

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

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

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2015-16.

The Board of Directors of the Company has decided that the Company may go for voluntary delisting of its shares on the National Stock Exchange Limited while it remains listed on the BSE Ltd in terms of SEBI Listing.

Pursuant to the Board Resolution, the Company has initiated steps to comply with all the necessary procedural formalities for revocation of suspension of its shares on BSE Limited and simultaneously also initiated the process of delisting of its shares from NSE. The Company is hopeful that the entire process will be completed as early as possible.

Subsidiaries, Aassociates and Joint venture

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

Number of Meetings of the Board of Directors

The Board of Directors duly met 9 times during the financial year from 1st April, 2015 to 31st March, 2016, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard -1.

Independent Directors' Meeting

The Independent Directors met on 12.02.2016, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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

i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and Statement of Profit and Loss of the Company for that period;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2016 on a going-concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Management Discussion and Analysis

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

Management of Risks

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

Corporate Social Responsibility (CSR) Initiatives:

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

Audit Committee

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

Nomination and Remuneration Committee

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

❒ 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 out the evaluation of every Director's performance;
- formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
- recommend to the Board a Policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity; and
- any other matter as the Board may decide from time to time.

❒ Nomination and Remuneration policy

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

Particulars of Loans, Guarantees or Investments under Section 186

The Company has not given any Loans, Guarantees, and made Investments during the Financial Year ended on March 31, 2016 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

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

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

There were no materially significant transactions with Related Parties during the financial year 2015-16 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as Annexure - II to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

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

Extracts of Annual Return

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

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

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

Mechanism for Evaluation of Board

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

A. Criteria for evaluation of Board of Directors as a whole
   i. The frequency of meetings;
   ii. The length of meetings;
   iii. The administration of meeting;
   iv. The number of committees and their roles;
   v. The flow of information to board members and between board members;
   vi. The quality and quantity of information; and
   vii. The disclosure of information to the stakeholders.
B. Criteria for evaluation of the Individual Directors
   i. Ability to contribute and monitor corporate governance practices;
   ii. Ability to contribute by introducing best practices to address top management issues;
   iii. Participation in long term strategic planning;
   iv. Commitment to the fulfillment of director obligations and fiduciary responsibilities;
   v. Guiding strategy;
   vi. Monitoring management performance and development;
   vii. Statutory compliance & Corporate governance;
   viii. Attendance and contribution at Board /Committee meetings;
   ix. Time spent by each of the member; and
   x. Core competencies.

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

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

Mr. K. Subba Rao who was re-appointed as a Whole Time Director of the Company by the Board of Directors with effect from 13.08.2016 in the category of Executive Directors under the provisions of the Companies Act, 2013 and Regulation 25 of the Listing Regulation, 2015.

Based on the confirmation received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

There was no other appointment or cessation of appointment of Key Managerial Personnel during the financial year.

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 30th 2014, M/s. 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 M/s. 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.

Qualification by Statutory Auditor

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

A. Regarding Business Transfer Agreement with Natems Sugar Limited the execution is pending due to legal order and other conditions, Refer Note No. 23 (d) - impact of the same on Assets/ Liabilities and Loss of the company is unascertained.

B. Inspite of continues erosion of networth, position of excess of current liabilities over current assets and uncertainty associated with operations of the company, the Accounts of the Company are prepared on going concern basis.

C. Since all the shares of the Company were converted into equity Share the Company did not redeem the 16% Redeemable Cumulative Preference Shares and did not provide for arrears of dividend thereon

D. In view of very limited strength of employees, presently working with the Company, the requirements of AS-15 Employee Benefits in respect of gratuity could not be complied with. However provision for gratuity as required under Payment of Gratuity Act has been provided for.

E. The company could not get confirmation of balances in respect of Trade Receivables and Trade Payables other than due from/to related parties as most of them are very old and presently no transactions are being taken place with them.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. R.N. Goswami & Co, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2015-2016. The Secretarial Audit Report is annexed herewith as Annexure - IV.

Board Response:

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

Internal Auditors

In pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, the Board of Directors of the Company has appointed a group of officers as Internal Auditors of the Company to carry out internal auditing of books of accounts periodically.

Internal financial control and its adequacy

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

Corporate Governance

The Company is committed to good corporate governance in line with the Listing Agreement (up to

30th November 2015) and Schedule V of Listing Regulations,2015 (with effect from 1st December 2015) and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with BSE. A certificate of compliance from M/s. Laxminiwas & Jain, a practicing Chartered Accountants and the report on Corporate Governance form part of this Directors' Report.

Vigil Mechanism

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

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

Secretarial 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, 2016.

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

Statement of particulars of appointment and remuneration of managerial personnel

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

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

Insurance

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

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

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

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

--- NIL ---

Change in the nature of business

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

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

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

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

The Board of Directors of the Company during its meeting in November 2014 felt that there was an urgent need to make the operations and management of the Company more effective in terms of optimization of sugarcane yield and also recovery of sugar by making meaningful use of the skills of the employees and also improve the administrative management of the Company. Accordingly, the Company had engaged the services of Nanda Ventures Private Limited, a Company which has extensive experience and expertise in operating and managing the sugar factories, by entering into an Operation and Management Agreement on specific terms and conditions to ensure the desired results.

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

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

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

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

The details of the cases filed:

S.No.	Case No.	Status of case
i. against the Company		
1	OS 821/2014	The Suit filed by Mr. Ch. Krishna Murthy and Sri Venkateshwara Sugar Industries Private Limited against Mr. Vinod Baid and the Company before the II Additional Chief Judge, City Civil Court, Hyderabad along with Interim Application IA No. 2074 by 2014) seeking injunction on the Postal Ballot conducted by the Company for sale/transfer of the Company's Sugar business and other consequntial acts relating to the postal ballot. While the IA 2074 was disposed off in favor of the Company, the Main Suit is presently pending disposal before the Hon'ble Court.
2	OP 2956/2014	Mr. Ch. Krishna Murthy filed a petition u/s 9 of Arbitration Act before the XXV Additional Chief Judge, City Civil Court, Hyderabad, seeking direction from the Hon'ble Court to appoint a Receiver/Auditor to protect his alleged investment in the Company. The matter is pending before the Hon'ble Court.
3	CMA 285/2015	Mr. Ch. Krishna Murthy preferred the said Appeal against the order of the Hon'ble City Civil Court vacating the injunction, before the Hon'ble High Court of Judicature at Hyderabad and the said Appeal was disposed off by the Hon'ble Court with a direction that the Company shall maintain the status-quo existing as on 31.03.2015 in respect of its business, assets, liabilities, encumbrances etc. The Company had preferred an Appeal (SLP No. 9482) before the Hon'ble Supreme Court of India against the said Order and the Apex Court was pleased to grant extention of time to comply with the said direction of the Hon'ble High Court till further hearing.
ii. by the Company		
1	OS 384/2013	The Company had filed a Suit against Mr. Ch. Krishna Murthy and six Additional Directors illegally inducted on the Board of the Company by Mr. Ch. Krishna Murthy seeking a direction from the Hon'ble Court to restrain the Respondents from claiming to be the Directors of the Company and also illegally representing the Company.
2	OS 4715/2015	The Company has filed the said Suit against Teja Charities, Tirupati in which Mr. Ch. Krishna Murthy is interested, before the Hon'ble Chief Judge, City Civil Court, Hyderabad seeking decree for a sum of Rs.1.00 crore being the loan given by the Company to Teja Charities along with interest. The case is presently pending before the Hon'ble Court.
3	WP 23442/2015	The Company filed the said WP against IFCI and Sri Venkateshwara Sugar Industries Private Limited before the Hon'ble High Court of Judicature at Hyderabad, seeking direction to IFCI to release the original Title documents of the Company in terms of IFCI's letter of settlement of dues cleared by Sri Venkateshwara Sugar Industries Private Limited, as the Assignee of the said debt. The case is presently pending before the Hon'ble Court.

The Registrar of Companies has marked the Company as having Management Dispute based on an investor complaint in April, 2015.

The Company has filed the said Writ Petition in the Hon'ble High Court of Judicature of Hyderabad for the State of Telangana and the State of Andhra Pradesh seeking direction to ROC to demark the company. The Writ Petition has been heard by the Hon'ble Court and the orders are reserved as on date.

Policy on Sexual Harassment

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

During the financial year ended 31st March, 2016, the Company has not received any Complaints pertaining to Sexual Harassment.

Listing Agreement

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited during December 2015

Policies

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

i. **Whistleblower Policy (Policy on vigil mechanism)**
   The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016.

ii. **Policy for Determining Materiality for Disclosures**
   This policy applies to disclosures of material events affecting PSCL. This Policy is in addition to the Company's Corporate Policy Statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

iii. **Policy on Document Retention**
   The policy deals with the retention and preservation of corporate records of the Company.

Human Resources

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

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**

	Kurra Subba Rao	**Vinod Baid**
Place : Hyderabad	Whole Time Director	Director
Date : 02.12.2016	(DIN 02552019)	(DIN 00010142)

ANNEXURE - II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

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

I	REGISTRATION AND OTHER DETAILS			
i.	CIN		L15432TG1990PLC032731	
ii.	Registration Date		03/12/1990	
iii.	Name of the Company		Prudential Sugar Corporation Limited	
iv.	Category / Sub-Category of the Company		Company limited by shares / Indian Non-Government Company	
v.	Address of the Registered Office and contact details		Akash Ganga, Plot # 144, 4th Floor, Srinagar Colony, Hyderabad - 500 073, Telangana State Email: psclsugar@gmail.com, Phone: +91-40-67334400, Fax : +91-40-67334433	
vi.	Whether listed Company		Yes	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any		R&D Infotech Pvt. Ltd., 1st Floor, 7A, Beltala Road, Naresh Mitra Sarani, Kolkata - 700 026.	
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the company shall be stated:				
Sl. No	Name and Description of main products / services		NIC Code of the Product / service	% to total turnover of the company
1	Sugar		17011.09	100%
III	PARTICUALRS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL			

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

1.CATEGORY-WISE HOLDING

Sl.No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the beginning of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
i.	Indian									
(a)	Individuals / HUF	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) (1):-	12797489	12260717	25058206	70.09	12797489	12260717	25058206	70.09	
ii.	Foreign									
(a)	NRIs-Individuals									
(b)	Other - Individuals									
(c)	Bodies Corporates									
(d)	Banks/FI									
(e)	Any other									
	Sub - Total (A) (2):-									
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	12797489	12260717	25058206	70.09	12797489	12260717	25058206	70.09	

B	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	-	341600	341600	0.96		341500	341500	0.96	
(b)	Banks/FI	12800	100	12900	0.04	12800	100	12900	0.04	
(c)	Central Government									
(d)	State Government(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	FIIs									
(h)	Foreign Venture Capital Funds									
(g)	Others									
	Sub - Total (B) (1):-	12800	341700	354500	0.99	12800	341600	354400	0.99	
2	Non-Institutions									
a)	Bodies Corp.	3635681	329690	3965371	11.09	3665974	329890	3995864	11.17	0.08
i)	Indian									
ii)	Overseas (OCB)									
b)	Individuals									
i)	Individual Shareholders holding nominal share capital up to Rs.1 lakh.	981192	3057304	4038496	11.30	1321156	3170704	4491860	12.56	1.26
ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	1192327	1143200	2335527	6.53	823870	1027800	1851670	5.18	(1.35)
c)	Others (Specify)									
	Sub - Total (B) (2):-	5809200	4530194	10339394	28.92	5811000	4528394	10339394	28.92	
	Total Public Shareholding (B)=(B)(1)+(B)(2)	5822000	4871794	10693794	29.91	5823800	4869994	10693794	29.91	
C	Shares held by Custodian for GDR & ADRs									
	Grand Total (A+B+C)	18619489	17132511	35752000	100.00	18621289	17130711	35752000	100	

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	Premier Fiscal Services P Ltd.*	1000000	2.80		3400500	9.51		6.72
3	VAB Ventures Ltd	2631689	7.36	-	2731689	7.64	-	0.27
4	Chadalavada Krishna Moorthy	2125000	5.94	-	2125000	5.94	-	
5	Sucharitha Manda	2000000	5.59	-	2000000	5.59	-	
6	Chadalavada Krishna Moorthy	1750000	4.89		1750000	4.89		
7	Sucharitha Manda	1750000	4.89		1750000	4.89		
8	Geddam Sumalatha	1000000	2.80	-	1000000	2.80	-	-
9	Chadalavada Kaviha	1000000	2.80	-	1000000	2.80	-	-
10	Prudential Capital Market Ltd	1000000	2.80	-	1000000	2.80	-	-
11	Govind Gupta	300000	0.84	-	300000	0.84	-	
12	Nirmal Kumar Lalwani	100000	0.28	-	100000	0.28	-	
13	Hemant Kumar Lalwani	100000	0.28	-	100000	0.28	-	
14	Suryaprakash Rathi	40000	0.11	-	40000	0.11	-	
15	Vinod Baid	15007	0.04	-	15007	0.04	-	
16	Arihant Baid	100	0.0	-	100	0.0	-	
	Total	22557706	63.09		25058206	70.09		7.00

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	
1	Silver Golden Property Develop Fin Inv Pvt Ltd	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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	
2	Premier Fiscal Services P Ltd	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		1500500	4.20	3400500	9.51
At the end of the year (or on the date of separation, if separated during the year)				3400500	9.51

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	VAB Ventures Ltd	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		---	---	---	---
At the end of the year (or on the date of separation, if separated during the year)				2731689	7.64

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	Chadalavada Krishna Moorthy	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		3875000	11.00	---	---
At the end of the year (or on the date of separation, if separated during the year)				3875000	11.00

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	Sucharitha Manda	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		3750000	10.49	---	---
At the end of the year (or on the date of separation, if separated during the year)				3750000	10.49

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	Geddam Sumalatha	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	Chadalavada Kaviha	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8	Prudential Capital Market Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9	Govind Gupta	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	Nirmal Kumar Lalwani	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
11	Hemant Kumar Lalwani	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
12	Suryaprakash Rathi	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
13	Vinod Baid	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
14	Arihant Baid	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

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	
1	Pilot Consultants P. Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		1700000	4.75	---	---
At the end of the year (or on the date of separation, if separated during the year)				1700000	4.75

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	BIJCO Holdings Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		1200000	3.35	---	---
At the end of the year (or on the date of separation, if separated during the year)				1200000	3.35

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	Tropical Securities and Investments P. Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		226182	0.63	---	---
At the end of the year (or on the date of separation, if separated during the year)				226182	0.63

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	Nipponzone Securities P. Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		120000	0.33	120000	0.33
At the end of the year (or on the date of separation, if separated during the year)				120000	0.33

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	The K.C.P. Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	Manisha Pincha	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		---	---	---	---
At the end of the year (or on the date of separation, if separated during the year)				100000	0.27

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	Rajendra Mahadev Babani	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		100000	0.27	100000	0.27
At the end of the year (or on the date of separation, if separated during the year)				100000	0.27

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8	Rishti Stock and Share P. Ltd.	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		99000	0.27	99000	0.27
At the end of the year (or on the date of separation, if separated during the year)				99000	0.27

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9	Jenita Vittu Agarwal	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
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

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	Ganguraju Raghu	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year		78500	0.21	78500	0.21
At the end of the year (or on the date of separation, if separated during the year)				78500	0.21

v. INDEBTEDNESS

in INR

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

	Secured Loans exclusing deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year				
i) Principal Amount	148777000	11200000		159977000
ii) Interest due but not paid	3643614	-	-	3643614
iii) Interest accrued but not due			-	
Total (i+ii+iii)	152420614	11200000		163620614
Change in Indebtedness during the financial year			-	
Addition		181565254	-	181565254
Reduction	151293614			151293614
Net Change	151293614	181565254		30271640
Indebtedness at the end of the Financial year				
i) Principal Amount				
ii) Interest due but not paid	1127000	192765254		193892254
iii) Interest accrued but not due		8801992		8801992
Total (i+ii+iii)	1127000	201567246		202694246

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	Vinod Baid	15007	0.04	15007	0.04
2	Y Ravinder Reddy	101	0.00	101	0.00
3	Kishore Jhunjhunwala	101	0.00	101	0.00
4	Maheswaran Nair Paramupillai	101	0.00	101	0.00
5	Sadhana Bhansali	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
		K. Subbarao	
1	Gross Salary	1,320,000	1,320,000
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify…		
5	Others, Please specify	251,100	251,100
	Total (A)	1,571,100	1,571,100
	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	Sadhana Bhansali	
1	Independent Directors				
	Fee for attending board/committee meetings	22,500	12,500	10,000	45,000
	Commission				
	Others, please specify				
	Total	22,500	12,500	10,000	45,000

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

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

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 - III

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

A. CONSERVATION OF ENERGY:

1. The steps taken or impact on conservation of energy:	-N.A.-
2. The steps taken by the Company for utilizing alternate sources of energy:	-N.A.-
3. The Capital investment on energy conservation equipments:	-N.A.-

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption:	NIL
ii. The Benefits derived like product improvement, cost reduction, product development or import substitution:	NIL
iii. Details of technology imported during the past 3 years:	No technology has been imported during the past 3 years.
a. The details of technology import:	-NIL-
b. The year of import:	-NIL-
c. Whether the technology has been fully absorbed:	-NIL-
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	-NIL-
iv. The expenditure incurred on Research and Development:	-N.A.-

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

1. The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs. in Thousands)

Particulars	March 31, 2016
Used	NIL
Earned	NIL

ANNEXURE - IV

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2016

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

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

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

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

Based on our verification of M/s. Prudential Sugar Corporation Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
   d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee

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

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the audit period;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / propose to buyback any of its securities during the audit period;

6. Other laws applicable specifically to the Company namely:

   1. Factories Act, 1948;
   2. Acts and Rules relating to Sugar industries including The Sugar Cess Act, 1982, The Sugar Development Fund Act, 1982, The Sugar (Packing & Marking) Order, 1970, The Sugar Cane (Control) Order, 1999;
   3. Insecticides Act, 1968;

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India which was notified by the Central Government on April 23, 2015 and which was given effect from July 1, 2015; and

ii. The erstwhile Listing Agreement entered into by the Company with stock exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1st December, 2015.

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

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

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

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

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

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

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

We further report that, the Company has not filed certain forms with ROC due to dispute between the Management of the Company during the year and the Company is in the process to file the forms along with additional fee with ROC as specified in Annexure-A

R.N. Goswami

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

Place: Hyderabad
Date: 02.12.2016

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

Annexure-A to the Secretarial Audit Report

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

Annexure-B to the Secretarial Audit Report

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Hyderabad
Date: 02.12.2016

Company Secretaries
FCS 1918, CP: 2267

ANNEXURE – V

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	7.76
2	Mr. Vinod Baid, Director	NA
3	Mr. Y Ravinder Reddy	NA
4	Mr. Kishore Jhunjhunwala	NA
5	Ms. Sadhana Bhansali	NA

* Mr. Vinod Kumar Baid Director, Mr. Y Ravinder Reddy, Mr Kishore Jhunjhunwala, 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	22.22%
2	Mr. Vinod Baid, Director	NIL
3	Mr. Y. Ravinder Reddy	NA
4	Mr. Kishore Jhunjhunwala	NA
5	Ms. Sadhana Bhansali	NA
6	Mr. Pradeep Kumar Baid, CFO	25.71%
7	Mr. Sandeep Kumar Daga, Company Secretary	NIL

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

** There was 22.22 % of increase in Remuneration paid to Whole Director during the Financial Year ended 31st March 2016.
There was 25.71 % of increase in Remuneration paid to CFO during the Financial Year ended 31st March 2016.

iii. The percentage increase in the median remuneration of employees in the financial year.
40.92%

iv. The number of permanent employees on the rolls of company.
There are 337 permanent employees on the rolls of the Company as on 31st March, 2016.

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

S.No.	Average increase in remuneration	Company performance
1	39.63%	Rs.169,909,504 (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, 2016
1	Rs.3,933,300	Rs.169,909,504 (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)

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 Rs10/- per equity share. As on 31st March, 2016 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, 2016
1	Mr. K. Subba Rao, Whole Time Director	Rs. 1,351,100	Rs.169,909,504 (Net Loss)
2	Mr. Pradeep Kumar Baid Chief Financial Officer*	Rs. 1,351,100	Rs.169,909,504 (Net Loss)
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.12,31,100	Rs.169,909,504 (Net Loss)

x. The key parameters for any variable component of remuneration availed by the directors

Only Salary is paid upon recommendation of Nomination and Remuneration Committee.

xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. -N.A.-

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

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

S. No.	Name & Designation	Remuneration Received	Nature of Employment	Qualifi-cations and experi-ence of the employee	Date of commence-ment of employment	Age	Last employment held before joining the company	% of Equity Shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. K.Subba Rao Whole Time Director	Rs.1,351,100	Contractual	B.Tech. (Mech.), BOE 38 years	17.05.1995	67 years	Nizam Sugars Ltd.	Nil	None
2	Mr. Pradeep Kumar Baid* Chief Financial Officer	Rs.1,351,100	Permanent	B.Com., FCS 17 years	15.05.2001	38 years	T.T. Ltd.	Nil	None
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.1,231,100	Permanent	B.Com., ACS 201years	20.04.2013	45 years	Prudential Management and Advisors Ltd.	Nil	None

ANNEXURE – I

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 2015-16 by reason or making sugar production out of cane in tropical countries.

Global sugar production has resolutely remained surplus over consumption for the fifth consecutive season in 2015-16. 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 2016. 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 2015-16 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 for 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.

In 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 risk

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 depend on our are command area due to less availability of cane in their 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 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 150 seasonal and 201 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	
	2015-16	2014-15
Number of days	117	117
Average crushing rate (TCD)	1998	2588
Cane crushed (T)	296278	302799
Recovery (%)	7.53	9.16
Sugar produced (T)	222680	277380

Financial Performance

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

In the end, the company has suffered a Net Loss after tax of Rs.1699.10 Lakhs as against the net Loss of Rs.70.17 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 : 24.09.2016

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

2. **BOARD OF DIRECTORS :**

   The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2016, the Board of Directors ("Board") comprises of Five Directors, of which 1 is Executive 1 is Non-Executive Director, and remaining 3 (Three) 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 Jhunjhunwala	Director	Independent Director
6	Mr. Maheswaran Nair Paramupillai*	Director	Independent Director

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

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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2016 is given below

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

Notes:

a. Other Directorships exclude foreign companies, private limited companies and alternate directorships.

b. Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other Committee Memberships.

b) **Board Procedure:**

During the year under review Board met nine times on 14.04.2015, 30.05.2015, 03.07.2015, 14.08.2015, 28.09.2015, 14.11.2015, 30.11.2015, 22.01.2016 and 13.02.2016. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

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

Name of the Director	Number of Board Meetings		Attendance at AGM held on December 28, 2015
	Held	Attended	
Mr. Vinod Baid	9	9	No
Mr. Kurra Subba Rao	9	9	Yes
Mr. Y. Ravinder Reddy	9	9	No
Ms. Sadhana Bhansali	9	4	No
Mr. Kishore Jhunjhunwala	9	5	Yes

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

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

Independent Directors meeting

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

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

3. **COMMITTEES OF THE BOARD:**

The Company currently has the following Committees of the Board:

a. Audit Committee;

b. Nomination and Remuneration Committee; and

c. Stakeholders Relationship, Grievance and Share Transfer Committee.

a. **Audit Committee**

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

As on 31st March 2016 the Committee comprised of three Independent Directors and one Executive Director, all of whom are financially literate and have relevant finance / audit exposure. The Chief Financial Officer is permanent invitee to the meetings of the Committee. The other Directors are invited to attend the audit committee meetings as and when required. The

composition of the Audit Committee is as per and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 28th December, 2015. The previous Annual General Meeting ("AGM") of the Company was held on 28th December, 2015 and was attended by Mr. Y Reddy Ravinder, Chairman of the audit committee

❒ Audit Committee meetings :

- Four Audit Committee Meetings were held during the year ended March 31, 2016. 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 2015, 14th August 2015, 14th November, 2015 and 13th February, 2016.

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

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

b. **Nomination and Remuneration Committee**

❒ Composition:

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

❒ Composition of the Committee is given below:

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

❒ Brief description of terms of reference

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

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

❒ Nomination and Remuneration Committee meetings

- During the period from April 1, 2015 to March 31, 2016, Nomination and Remuneration Committee Meetings were held on 30th May 2015, 14th August 2015, 14th November, 2015 and 13th February, 2016.

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

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

❒ 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, 2016.

Name of the Director	Amount Rs.
Mr. Vinod Baid	—
Mr. Kurra Subba Rao	—
Mr. Kishore Jhunjhunwala	12,500
Mr. Y. Ravinder Reddy	22,500
Ms. Sadhana Bhansali	10,000

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

Name of the Director and Designation	Salary Rs.	Benefits Rs.	Bonuses Rs.	Pension Rs.	Commission Rs.	Service Contracts	Notice Period	Total Rs.
K. Subba Rao	13,20,000	2,41,600	9,500	-	-	-	As per the Rules of the Company	15,71,100

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, 2016 are as follows:

Name of the Director	No. of Equity Shares
Mr. Y. Ravinder Reddy	NIL
Mr. Kishore Jhunjhunwala	NIL
Ms. Sadhana Bhansali	NIL

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
Mr. Kishore Jhunjhunwala	Member
Mr. Kurra Subba Rao	Member
Ms. Sadhana Bhansali	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 redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.
- The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services.

❒ Name and designation of Compliance Officer:

Mr. Sandeep Kumar Daga, Company Secretary & Compliance Officer

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

❒ Number of Shareholders complaints received so far.:

- During the year ended March 31, 2016 the Company has received 4 complaints and the company is process to resolve, the same were pending before court.
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

Attendance of each Director at Stakeholders' Relationship Committee Meeting

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

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

4. **GENERAL BODY MEETINGS:**

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

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

Financial Year ended	Date	Time	Venue
31.03.2013	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
31.03.2015	28.12.2015	02.00 PM	HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094

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

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

     a. Authorisation to the Board of Directors to borrow monies beyond the paid-up capital and free reserves pursuant to Section 180(1)(c) of the Companies Act, 2013.

     b. Authorisation to the Board of Directors to create mortgage/charge/pledge/Hypothecation on the properties of the Company for securing loans etc., pursuant to Section 180(1)(a) of the Companies Act, 2013

  ii. 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 3 Years.

iii. 21st Annual General Meeting - September 29, 2012

iv. Special Resolution passed last year through postal ballot:

The following Special Resolution through postal ballot during the year

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

5. **DISCLOSURES:**

a. **Related party transactions**

During the year ended March 31, 2016, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

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

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

The Company has not submitted the Clause 41 for the 2nd quarter of the Financial Year and Clause 47 (C) for the Half-year ended 30th September 2015 with Stock Exchange.

c. **Disclosure of Accounting Treatment**

The Company has followed the accounting standards in the preparation of its Financial Statements.

d. **Whistle Blower policy**

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

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

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

The Chairman of the Audit Committee had not received any complaint during the Financial Year ended 31st March, 2016.

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 Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2016 as required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

During the year ended March 31, 2016, 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 with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 up to March 31, 2016. Separate persons to the post of Chairman and Executive Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.

j. **Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2016 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 1,86,21,289 equity shares representing 52.08% of the paid up equity capital have been dematerialized as on 31st March 2016.

k. **Details about familiarization of programme**

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

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

Website: www.prudentialsugar.com Investor Relations

l. **Related Party Transactions policy**

There have been no materially significant related party transactions with the company's promoters, directors, the management,their subsidiaries or relatives which may have potential conflict with the interests of the company at large. In pursuant to Regulation 23 of SEBI (LODR),2015, the Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

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. 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 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: 25th Annual General Meeting

Date: 30.12.2016

Time: 11:00 a.m.

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

b. Dates of Book Closures: 26th December, 2016 to 30th December, 2016 (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, PhirozeJeeJeebhoy Towers, Dalal Street, Mumbai - 400 001.	500342

The listing fee for the year 2015-16 has been paid to the above stock exchanges.

e. Market Price Data: High and low during each month from April 1, 2015 to March 31, 2016. : Not Applicable since the company under suspension of trading

f. Registrar & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)

M/s.R&D Infotech Private Limited
1st Floor, 7A, Beltala Road,
Kolkata - 700 026. West Bengal.
Phone No. 033 - 2419 2641/2642

g. Share transfer System and Dematerialization of Shares:

SEBI vide its Circular No. CIR/MIRSD/8 /2012, dated July 5, 2012 has reduced the time-line for registering thetransfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to dematerialize the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 21 days of receipt.

h. Distribution of Share holding

Table - I (Distribution of holdings)

Share holding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10361	89.30	20834500	5.83
5,001 —	10,000	546	4.71	4628950	1.29
10,001 —	20,000	313	2.70	4825290	1.35
20,001 —	30,000	79	0.68	2006160	0.56
30,001 —	40,000	81	0.70	3086500	0.86
40,001 —	50,000	35	0.30	1683990	0.47
50,001 —	1,00,000	91	0.78	7227460	2.02
1,00,001	and above	96	0.83	313227150	87.61
Grand Total		11602	100.00	357520000	100.00

i. **Shareholding Pattern**

	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	3995864	11.18
6	Indian Public	6343530	17.74
7	NRIs / OCBs	-	-
8	Others	-	-
	Total	35752000	100.00

j. Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

18621289 equity shares were dematerialized representing 52.08 % of the total paid up equity share capital of the Company as on March 31, 2016.

ISIN: INE024D01016

k. Plant Location:

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

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

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

m. Address for Correspondence:
"AKASH GANGA" 3rd Floor, Srinagar Colony,
Hyderabad - 500 073
040-23746451& Fax No.040-66822871
E-mail: 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 : 24.09.2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PRUDENTIAL SUGAR CORPORATION LIMITED

We have examined all the relevant records of Prudential Sugar Corporation Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 up to March 31, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the a airs of the Company.

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

Place : Hyderabad
Date : 24.09.2016

Ramesh Kumar B.
Chartered Accountant

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, 2016 and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee that there are no:
   i. significant changes in internal control over financial reporting during the year;
   ii. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For **Prudential Sugar Corporation Limited**

Place : Hyderabad
Date : 24.09.2016

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 the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Prudential Sugar Corporation Ltd (the company), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Broad of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of act read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also included maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design; implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Basis for Qualified Opinion

Regarding Business Transfer Agreement with Natems Sugar Limited pending due to legal order and other conditions, Refer Note No. 23 (d) - impact of the same on Assets/Liabilities and Loss of the Company is unascertained.

The Company has not provided for interest on accrual basis/certain liabilities, Refer Note No. 23 (a), the impact is that the Loss for the year is understated by Rs.141.94 lacs and cumulative impact is that the liabilities are understated by Rs.1317.46 lacs.

The Company did not redeem the 16% Redeemable Cumulative Preference Shares as per the terms of issue, and did not provide for arrears of dividend thereon. Refer Note No. 23 (a) (4), the impact of which is that the Current Liabilities are understated by Rs.408 lacs and the Capital is overstated by Rs.408 Lacs.

The Company has not accounted for the provisions for retirement benefits as per AS-15, Refer to Note No. 23 (g), the impact of which is unascertained.

The Balance of Tade Receivables, Trade payables, Secured Loans, Unsecured Loans, Loans and Advances, Other Current Assets and Current Liabilities are subject to confirmation/reconciliation as indicated in Note No. 23 (f), the impact of which is unascertained.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure “A” a Statement on the matters specified in the Paragraph 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. On the basis of the written representations received from the Directors as on 31st March 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2016 from being appointed as a Director in terms of Section 164 (2) of the Act; and

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinions and to the best of our information and according to the explanations given to us;

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement - Refer Note No.23 (a) 1 to 7 to the financial statements;

   ii. The company did not have any long-term contracts, including derivative contracts, that requires a provision for material foreseeable losses in these financial statements; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Hyderabad
Date : 24.09.2016

Smt. Sharada G. Patil
Partner

Annexure "A" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Prudential Sugar Corporation Limited

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

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. All fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the its assets. No material discrepancies were noticed on such verification

c. According to information and explanations given by the management the Title Deeds of immovable properties included in fixed assets are held in the name of the Company.

ii. The management has conducted physical verification of inventory at suitable intervals during the year and no material discrepancies were noticed on such verification.

iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) are not applicable to the Company and hence not commented upon

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respected of loans and advances give, investments made and, guarantees, and securities given have been complied by the company.

v. The Company has not accepted any deposits from the public.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us in respect of Statutory dues:

a. The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other Statuary Dues to the appropriate authority and there were Rs.330.65 lacs and Rs. 41.74 lacs payable on account of Purchase Tax and Income Tax respectively which were in arrears as at 31st March 2016 for a period of more than 6 months from the date they became payable.

b. The Company has not deposited Sales Tax of Rs.11.15 lacs and Purchase Tax of Rs.1174.90 lacs and Income Tax of Rs. 60.62 lacs as on 31st March,2016 on account of Disputes.

viii. The Company has not defaulted in repayment of loan for borrowing to a financial institution, bank, Government or dues to debenture holders except Rs.11.27 lacs payable to IIBI.

ix. In our opinion and according to the information and explanations given by the Management, the Company has utilized the monies raised by way of debt instruments in nature of terms loans were applied for the purposes for which those were raised.

x. Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

xi. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Companies Act.

xii. The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.

xiii. All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. The Company has not entered into any non-cash transactions with Director or persons connected with him.

xvi. The Company is not required to be registered under Section 45-1A of The Reserve Bank of India Act, 1934.

Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Prudential Sugar Corporation Limited

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Prudential Sugar Corporation Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on the date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, weather due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i. pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and Directors of the company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies are procedures may deteriorate.

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statement of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report as of date expressed an unqualified opinion thereon.

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

Place : Hyderabad
Date : 24.09.2016

Prudential Sugar Corporation Limited

BALANCE SHEET AS AT 31st MARCH, 2016

PARTICULARS	Notes	As at 31.03.2016 In Rupees	As at 31.03.2015 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	1	**372,070,000**	372,070,000
Reserves and surplus	2	**(128,385,682)**	41,523,832
		243,684,318	413,593,832
2. Non-current liabilities			
Long-term borrowings	3	**127,127,000**	127,127,000
Other Long term liabilities		—	–
Long-term provisions	4	**8,021,230**	8,021,230
		9,148,230	135,148,230
3. Current liabilities			
Short-term borrowings	5	**165,465,200**	27,441,625
Trade payables	6	**239,454,827**	402,062,629
Other current liabilities	7	**503,464,376**	175,470,115
		908,384,403	604,974,369
TOTAL (of 1,2,3)		**1,161,216,952**	1,153,716,432
II. ASSETS			
Non-current assets			
1. Fixed assets	8		
Tangible assets		**240,459,504**	183,287,123
Intangible assets		—	—
Capital work-in-progress		**18,214,899**	—
Non-current investments	9	**255,528,005**	255,528,005
Deferred tax assets (net)		**152,594,001**	71,826,020
Long-term loans and advances		—	—
		666,796,409	510,641,148
2. Current assets			
Inventories	10	**238,772,483**	500,408,753
Trade receivables	11	**73,769,367**	66,605,492
Cash and cash equivalents	12	**32,578,278**	30,726,881
Short-term loans and advances	13	**149,300,415**	45,334,158
Other current assets		—	—
		494,420,543	643,075,284
TOTAL (of 1,2)		**1,161,216,952**	1,153,716,432
III. SIGNIFICANT ACCOUNTING POLICIES	22		
NOTES TO ACCOUNTS	23		

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

For and on behalf of the Board

Sandeep Daga
Company Secretary

Pradeep Kumar Baid
Chief Financial Officer

As per our report of even date
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Place : Hyderabad
Date : 24.09.2016

Vinod Baid
Chairman

K. Subba Rao
Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS	Notes	Year ended 31.03.2016 In Rupees	Year ended 31.03.2015 In Rupees
I. Income			
Revenue from operations	14	**981,798,471**	879,448,930
Less: Excise Duty		**37,736,928**	37,858,218
		944,061,544	841,590,713
Other income	15	**4,810,772**	3,624,715
Total Revenue (I)		**948,872,316**	**845,215,428**
II. Expenses:			
Cost of materials consumed	16	**733,262,738**	685,313,790
Purchases of Stock-in-Trade		—	—
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	17	**266,066,001**	12,784,136
Employee benefits expense	18	**73,621,086**	62,954,651
Finance costs	19	**17,855,190**	17,919,760
Depreciation and amortization expense	20	**18,452,771**	10,996,589
Other expenses	21	**90,292,014**	66,276,238
Total Expenses (II)		**1,199,549,801**	856,245,163
Profit before Exceptional, Extraordinary items & Taxation		**(250,677,485)**	(11,029,735)
Tax of Earlier Years		**—**	393,901
Less: Deferred Tax Assets		**(80,767,981)**	(4,406,755)
Profit / (Loss) for the year from continuing operations		**(169,909,504)**	(7,016,882)
Earnings per equity share:			
Basic		**(5.13)**	(0.21)
Diluted		**(5.14)**	(0.22)
III. SIGNIFICANT ACCOUNTING POLICIES	22		
NOTES TO ACCOUNTS	23		

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

For and on behalf of the Board

Sandeep Daga
Company Secretary

Pradeep Kumar Baid
Chief Financial Officer

As per our report of even date
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Place : Hyderabad
Date : 24.09.2016

Vinod Baid
Chairman

K. Subba Rao
Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	31.03.2016 (Rs. in lakhs)	31.03.2015 (Rs. in lakhs)
Cash flow from Operating activities		
Net Profit before Tax and Extraordinary items	**(2506.77)**	(114.24)
Adjustments for :		
Depreciation	**184.52**	109.97
Interest paid	**178.55**	179.20
Other Income	**(48.10)**	(36.25)
Operating Profit before working capital changes	**(2191.80)**	138.68
Adjustments for:		
Decrease/(Increase) in Trade and Other Receivables	**(1111.30)**	1095.93
Decrease/(Increase) in inventories	**2616.36**	116.15
(Decrease)/Increase in Trade Payables/current liabilities	**1653.86**	1553.55
Cash generation from operations (A)	**967.12**	2904.31
Cash flow from Investing Activities		
Purchase of Fixed assets	**(756.25)**	(19.51)
Capital Work in Progress	**(182.15)**	0.00
Proceeds from sale of fixed assets	**—**	0.00
Other Income	**48.10**	36.25
Net Cash flow from Investing activities (B)	**(890.30)**	16.74
Cash flow from Financing activities		
Increase/(Decrease) of Long Term Borrowings	**(1260.00)**	1260.00
Increase/(Decrease) of Short Term Borrowings	**1380.24**	(1268.88)
Interest paid	**(178.55)**	(179.20)
Investments	**—**	(2500.00)
Net Cash flow from Financing activities (C)	**-58.31**	2688.08
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**18.51**	232.97
Add: Opening Cash and cash equivalents	**307.27**	74.30
Cash and cash equivalents at the end of the period	**325.78**	307.27

For and on behalf of the Board

As per our report of even date
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Sandeep Daga
Company Secretary

Pradeep Kumar Baid
Chief Financial Officer

Place : Hyderabad
Date : 24.09.2016

Vinod Baid
Chairman

K. Subba Rao
Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

	As at 31.03.16 In Rupees	As at 31.03.15 In Rupees
1. SHARE CAPITAL		
Authorised		
5,00,00,000 Equity Shares of Rs. 10/- each	**500,000,000**	500,000,000
16% Cum.Redeemable Preference shares of Rs.50/- each	**250,000,000**	250,000,000
	750,000,000	750,000,000
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.Redeemable Pref. Shares of Rs.40/ each (Rs.10/ converted into Equity)	**800,000**	800,000
e. 1000000 16% Cum.Redeemable Pref.Shares of Rs. 50/ each (Redeemable at any time on or before 10/02/2006)	**50,000,000**	50,000,000
	408,320,000	408,320,000
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.Redeemable Pref. Shares of Rs.40/ each (Rs.10/ converted into Equity)	**800,000**	800,000
65,000,00 Equity shares of Rs.10/ each	**65,000,000**	65,000,000
	323,320,000	323,320,000
Subscribed but not fully Paid up		
35,000,00 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
1000000 16% Cum.Redeemable Pref.Shares of Rs.50/- each Rs. 40/- per share each called up and paid up	**40,000,000**	40,000,000
Total	**48,750,000**	48,750,000

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. No.	Name of Shareholder	**As at 31 March 2016** No. of Shares held	**As at 31 March 2016** % of Holding	As at 31 March 2015 No. of Shares held	As at 31 March 2015 % of Holding
1.	Vab Ventures Limited	**10,477,599**	**29.31**	10,377,599	29.03
2.	Premier Fiscal Services Pvt. Ltd.	**3,400,500**	**9.51**	—	—
3.	Bank of India	**—**	**—**	3,500,500	9.79
4.	Chadalavada Krishna Moorthy	**2,125,000**	**5.94**	2,125,000	5.94
5.	Sucharitha Manda	**2,000,000**	**5.59**	2,000,000	5.59

		As at 31.03.16 In Rupees	As at 31.03.15 In Rupees
2. RESERVES AND SURPLUS			
A. Capital Reseves			
Opening Balance		**1,500,000**	1,500,000
(+) Current Year Transfer		**—**	—
(-) Written Back in Current Year		**—**	—
Closing Balance		**1,500,000**	1,500,000
B. Securities Premium Account			
Premium @ Rs.10/- on 65,00,000 Equity Shares		**65,000,000**	65,000,000
C. Surplus/(Deficit) in the Statement of Profit and Loss			
Opening balance		**(24,976,178)**	(920,189)
(+) Net Profit/(Net Loss) For the current year		**(169,909,504)**	(7,016,881)
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		**(129,885,682)**	40,023,832
Total		**(128,385,682)**	41,523,832

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	**1,127,000**	127,127,000

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	**8,021,230**	8,021,230

	As at 31.03.16 In Rupees	As at 31.03.15 In Rupees
5. SHORT TERM BORROWINGS		
Secured		
Cash credit from Banks (Secured)	—	16,241,625
	—	16,241,625
Unsecured		
a. Other Loans and advances		
From Others	**11,200,000**	11,200,000
From Corporate	**154,265,200**	—
	165,465,200	11,200,000
Total	**165,465,200**	27,441,625

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

6. TRADE PAYABLES	**239,454,827**	402,062,629

7. OTHER CURRENT LIABILITIES		
a. Interest accrued but not due on borrowings	—	3,643,615
b. Accrued Salaries and Benefits	**9,376,679**	7,563,965
c. Statutory Dues	**36,829,901**	52,420,929
d. Others	**31,544,313**	11,841,606
f. Advance against purchase consideration	**230,000,000**	100,000,000
g. Advance others (Corporate)	**195,713,483**	—
Total	**503,464,376**	175,470,114

8. FIXED ASSETS

(In Rupees)

Name of the Asset	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2015	Additions during the period	Deductions/ Adjust-ments	**As at 31.03.2016**	As at 01.04.2015	For the year	Deductions /Adjust ments	**As at 31.03.2016**	**As at 31.03.2016**	As at 31.03.2015
A Tangible Assets										
Land	16,343,937	—	—	16,343,937	—	—	—	—	16,343,937	16,343,937
Building	157,717,744	—	—	157,717,744	81,902,737	6,705,116	—	88,607,853	69,109,891	75,815,007
Plant & Machinery	432,379,449	68,448,576	—	500,828,025	342,410,616	11,383,249	—	353,793,865	147,034,161	89,968,833
Furniture / Office Equipment	24,312,131	7,176,576	—	31,488,707	23,717,853	127,011	—	23,844,864	7,643,843	594,278
Vehicles	5,828,175	—	—	5,828,175	5,263,107	237,395	—	5,500,502	327,673	565,068
Sub-Total (A)	636,581,436	75,625,153	—	712,206,589	453,294,313	18,452,771	—	471,747,084	240,459,504	183,287,123

	As at 31.03.16 In Rupees	As at 31.03.15 In Rupees
9. NON-CURRENT INVESTMENTS		
Trade Investments (Valued at cost unless stated otherwise)		
Equity Shares (quoted)		
500 Shares of Rs.1/- each fully paid up in KCP Sugars Ltd.	**3,755**	3,755
50 Shares of Rs.10/- each fully paid up in The KCP Ind. Ltd.	**3,755**	3,755
100 Shares of Rs.10/- each fully paid up in Sakthi Sugars Ltd.	**4,495**	4,495
5 Shares of Rs.10 /- each fully paid up in Kothari Sugars & Chem Ltd.	**3,000**	3,000
100 Shares of Rs.10/- each fully paid up in Aruna Sunrise Hotels Ltd.	**2,000**	2,000
Equity Shares (Unquoted)		
a. 5,50,000 Equity Shares of Rs.10/- each fully paid up in Prudential Spinners Ltd.	**5,500,000**	5,500,000
b. 25,00,000 Preference Shares @ Rs 50/- each paid up in Prudential Ammana Sugars Limited	**125,000,000**	125,000,000
c. 12,50,000 Preference Shares @ Rs 100/- each paid up in Discovery Infoways Limited	**125,000,000**	125,000,000
Other Investments		
National Savings Certificate (Depsited with Forest Department)	**11,000**	11,000
Total	**255,528,005**	255,528,005
10. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)		
a. Work-in-progress	**18,942,500**	3,078,000
b. Finished Goods	**158,461,686**	440,392,187
c. Stores and spares	**61,073,411**	56,727,027
d. Loose Tools	**294,886**	211,539
Total	**238,772,483**	500,408,753
11. TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)		
Unsecured, considered good for a period exceeding six months	—	—
Others	**73,769,367**	66,605,492
Total	**73,769,367**	66,605,492
12. CASH AND BANK BALANCES		
a. Balances with banks*		
On Current accounts	**31,754,576**	20,628,828
b. Interest Receivables from Govt of India A/c	**517,742**	9,821,550
c. Cash on hand*	**305,960**	276,503
Total	**32,578,278**	30,726,881
13. SHORT TERM LOANS AND ADVANCES		
a. Loans and advances		
Unsecured, considered good	**38,325,933**	37,170,347
Doubtful	**—**	—
Less: Provision for doubtful loans and advances	**—**	—
Total	**38,325,933**	37,170,347
b. Others		
Loans and advances to employees	**1,359,364**	930,178
Prepaid Expenses	**343,635**	383,389
Balances with Statutory/Government Authorities	**17,995,425**	4,677,093
Others	**91,276,058**	2,173,151
Total	**149,300,415**	45,334,158

	For the year ended 31.03.16 In Rupees	For the year ended 31.03.15 In Rupees
14. REVENUE FROM OPERATIONS		
Sale of products	**981,620,471**	879,448,930
Sale of services	**—**	—
Other operating revenues		
Scrap sales	**178,000**	—
Less: Excise duty	**37,736,928**	37,858,218
Total	**944,061,544**	841,590,713
15. OTHER INCOME		
Interest Income (TDS Rs.466,180, prev. year Rs.322,416)	**4,651,450**	3,253,699
Claims Received from Insurance	**—**	352,967
Misc & Others	**159,322**	18,049
Total	**4,810,772**	3,624,715
16. COST OF RAWMATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	—	—
Add: Purchases	**733,262,738**	685,313,790
Cost of Raw materials and Components Consumed	**733,262,738**	685,313,790
17. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	**18,942,500**	3,078,000
Finished Goods	**158,461,686**	440,392,187
	177,404,186	443,470,187
Inventories at the beginning of the year		
Work in Progress	**3,078,000**	4,100,000
Finished Goods	**440,392,187**	452,154,323
	443,470,187	456,254,323
Total	**(266,066,001)**	(12,784,136)
18. EMPLOYEE BENEFIT EXPENSES		
a. Salaries, Wages and Bonus	**65,419,009**	55,918,979
b. Contributions to Provident and other funds	**4,826,976**	3,966,759
c. Gratuity expenses	**458,213**	705,951
c. Staff welfare expenses	**2,916,888**	2,362,962
Total	**73,621,086**	62,954,651

	For the year ended 31.03.16 In Rupees	For the year ended 31.03.15 In Rupees
19. FINANCE COST		
Interest expense	**17,855,190**	17,919,760
Total	**17,855,190**	17,919,760
20. DEPRECIATION		
Depreciation of Tangible Assets	**18,452,771**	10,996,589
Total	**18,452,771**	10,996,589
21. OTHER EXPENSES		
Consumption of Stores & Spares	**9,192,987**	7,665,302
Power & Fuel	**19,761,944**	6,857,195
Handling charges	**3,744,404**	2,662,788
Repairs and maintenanace		
To Plant & Machinery	**27,147,126**	16,382,803
To Buildings	**502,916**	490,832
To Others	**2,707,874**	1,580,243
Insurance	**1,015,694**	725,128
Rates & taxes	**471,624**	363,370
Legal & Professional Fees	**3,510,564**	2,651,138
Packing Materials	**12,718,567**	19,091,968
Bank charges	**185,956**	200,790
Printing & Stationery	**152,561**	205,810
Telephone & Internet Charges	**379,243**	448,013
Travelling Expense	**3,749,025**	2,916,239
Sales commission	**1,635,220**	833,075
Business Promotion	**17,623**	129,880
Rent	**423,900**	260,600
Miscellaneous Expense	**2,774,788**	2,611,064
Total	**90,092,014**	66,076,238
Payment to Auditors		
Audit Fee	**175,000**	175,000
Tax Audit Fee	**25,000**	25,000
Total	**200,000**	200,000

NOTE: 22

SIGNIFICANT ACCOUNTING POLICIES

a. **General**

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

b. **Fixed Assets and Depreciation**

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

c. **Investments**

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

d. **Inventories**

1. Sugar is valued at cost price or net realizable value 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.

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

For **Laxminiwas & Jain**
Chartered Accountants

Firm Regn. No. 001859S

Place : Hyderabad
Date : 24.09.2016

Vinod Baid
Chairman

K. Subba Rao
Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

NOTE 23

NOTES TO ACCOUNTS

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

1. Company has entered into a Settlement Agreement with Ashok Leyland Finance Limited for Rs. 28.52 lacs payable in 3 instalments. Out of the said settled amount company has already paid a sum of Rs.20 lacs. The Company has requested further time for payment of balance amount and the same is under consideration of M/s. Ashok Leyland Finance Limited. On receipt of the full amount the cases will be withdrawn by Ashok Leyland Finance Limited. In case of failure, an additional amount of Rs. 17.05 lacs (PY - Rs.15.99 lacs) to be further provided in the Books of Accounts.
2. Claims Rs.22.08 Lacs (P.Y.- 22.08 Lacs) by Soubhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh.
3. Sales Tax claim of Rs.22.80 Lacs (Previous Year Rs. 22.80 Lacs) for which an appeal is pending with High Court of Andhra Pradesh. The Company has paid Rs. 11.65 lacs (P.Y. Rs.11.65 lacs) against above claim which is shown as deposit recoverable in the books of accounts.
4. The Company has issued 16% Cumulative Redeemable Preference Shares to promoters in the year 1995-96 redeemable on or before 12.01.2005 which is pending redeemable to the tune of Rs.8 lacs. The Company had also issued 16% Cumulative Redeemable Preference Shares for Rs.400 lacs in the year 1996-97 redeemable on or before 10.02.2006. The Company could not redeem the above shares in time as it was registered with BIFR, if redeemed with accumulative dividend the liability up to 31.03.2016 shall stand to Rs.6601.87 lacs (P.Y.Rs.5634.99 Lacs) on account of Dividend.
5. Disputed claim of interest on delayed payment of Purchase Tax Rs. 1174.90 lacs. (P.Y. Rs.1104.78 lacs)
6. Disputed claim of penal charges on delayed payment of Provident Fund Rs. 9.87 lacs. (P.Y.Rs.9.87 lacs)
7. Income Tax Claim of Rs.70.76 lacs (A.Y.2013-2014) against which appeal is pending with Appellate Authority. The company has paid Rs.10.62 lacs against above claim.

b. **IIBI**

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

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

c. IFCI

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

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

d. **Natems Sugar**

The Company has entered into a Business Transfer Agreement (BTA) with Natems Sugar Limited on 04.04.2015 and in terms of the said BTA the responsibility of operations of the business lies with Natems Sugar Limited from 1st April, 2015. It has also been agreed in the BTA that Natems Sugar Limited will advance money to the Company for the purpose of completion of capital expansion programme and the said amount shall be added in the purchase consideration. It has also been agreed in the BTA that Natems Sugar Limited will advance the Amount for the purpose of meeting day-to-day operating expenses and all the expenditure incurred in the accounts of the company in relation to the sugar factory shall be paid for by the Natems Sugar Limited. The amount paid by Natems Sugar Limited till 31.03.2016 in the tune of Rs. 1957.13 lacs towards meeting capital Expenditure and meeting operating expenditure will be added to the purchase consideration as per the terms of BTA. The determined amount of purchase consideration will be adjusted with the Current Assets and Liabilities as on 31.03.2015. In terms of the BTA, till the sale is completed the Company will be entitled to interest @ 10% pa on the balance consideration payable by Natems Sugar Limited. In view of the pendency of legal cases in Competent Courts at Hyderabad, precedent of conditions of sale are yet to be completed and the entire business is being operated and done in the name of the Company. Natems Sugar Limited has made the following payments to the Company till 31.03.2016:

1. Against Purchase consideration — Rs.2300 lacs
2. Unsecured loan for repayment of secured loan of Banks — Rs.1542.65 lacs
3. Amount advanced to the Company for meeting Capital Expenditure — Rs.938.40 lacs
4. Amount advanced to the Company for meeting Operating Expenses — Rs.1018.73 lacs

The Purchase consideration will be worked out based on the agreed terms of BTA. upon completion of the sale after conditions of precedent are satisfied and proper legal orders obtained. Profit &

Loss of the Company for the current year will get affected to the tune of said variations. However, since sale is yet to be completed actual figures could not be worked out.

The above amounts have duly been confirmed by Natems Sugars Limited by way of written confirmation.

e. Custom Duty on Import of Raw Sugar:	**31.03.16**	31.03.15
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.

f. Balance in Trade Receivables, Trade payables, Secured Loans, Unsecured Loans, Loans and Advances, Other Current Assets and Current Liabilities are subject to reconciliation/confirmation. In the opinion of the management Trade Receivables, Loans and Advances and other Current Assets are fully realizable.

g. The Company is in the process of obtaining the actuarial value for Gratuity and Leave Encashment. As such, the same is not provided for the Current Year. However, the Amount paid during the year is debited to Profit and Loss Account.

h. Auditors' remuneration represents	**31.03.2016 Rupees**	31.03.2015 Rupees
a. Statutory Audit Fees	**1,75,000**	1,75,000
b. Tax Audit Fees	**25,000**	25,000
	2,00,000	2,00,000
i. Tax deducted at sources on interest receipts	**4,66,180**	3,22,495

j. There are no Micro and Small Enterprises to whom the Company owes amounts which are outstanding as at 31st March 2016. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) has been determined on the basis of and to the extent information is available with the Company. No interest is paid/payable during the year to any enterprises registered under the MSME.

k. The Company operation consists only one Segment – Sugar and therefore the figures given relates to one Segment.

l. Earnings per shares (EPS)	**2015-16 (Rs.in lacs)**	2014-15 (Rs. In lacs)
Basic and Diluted:		
Profit/(Loss) attributable to equity holders	**(1699.10)**	(70.17)
Weighted average number of shares	**3,31,27,000**	3,31,27,000
EPS - (Rs.)	**(5.13)**	(0.21)

m. Deferred Tax Assets

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

Nature of timing difference

	Deferred Tax Asset/ Liability) as at 01.04.2015 (Rs.in lacs)	(Charge)/Credit for the current year (Rs.in lacs)	Deferred Tax Asset/ (Liability) as at 31.03.2016 (Rs. In lacs)
1. Deferred Tax Asset			
Items covered u/s 43 B	202.78	(53.72)	149.06
Brought forward losses	847.88	863.48	1711.35
Sub Total - A	1050.66	809.76	1860.41
2. Deferred Tax Liability			
Depreciation	332.40	(2.07)	334.47
Sub Total - B	332.40	(2.07)	334.47
3. NET AMOUNT	718.26	807.69	1525.94

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

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

o. RELATED PARTY DISCLOSURES

I. RELATED PARTIES

A. KEY MANAGERIAL PERSONNEL

Sri Vinod Baid, Chairman

B. ENTERPRISES IN WHICH KEY MANAGERIAL PERSONNEL ARE INTERESTED

VAB Ventures Ltd.
Sri Venkateswara Sugar & Industries Pvt. Ltd.

p. Additional Information:

A. PARTICULARS REGARDING CAPACITY.

Class of Goods	As on 31.03.2016 Unit	As on 31.03.2016 Quantity	As on 31.03.2015 Unit	As on 31.03.2015 Quantity
i. **Sugar-Capacity**				
a) Licenced	**TCD**	**2500**	TCD	2500
b) Installed	**TCD**	**2500**	TCD	2500
c) Actual production	**QTs.**	**219380**	QTs	277380
ii. **Molasses** (by product)				
a) Actual production	**MTs**	**14768**	MTs	14600

iii. **Sales & Stock**

	2016 Unit	2016 Qty.	2016 Value Rs. in Lacs	2015 Unit	2015 Qty.	2015 Value Rs. in Lacs
a) **Sales**						
Sugar	QTs	**323175**	**8879.52**	QTs	271598	7778.54
Molasses	MTs	**17251**	**816.24**	MTs	14387	777.01
Bagasse	MTs	**7533**	**114.36**	MTs	15828	233.72
Filter Cake	MTs	**4868**	**6.09**	MTs	4174	5.22
			9816.21			8794.49
b) **Stock**						
Sugar	QTs	**42260**	**1455.85**	QTs	146055	4162.56
Molasses	MTs	**1518**	**106.26**	MTs	4001	224.08
Bagasse	MTs	**1500**	**22.50**	MTs	1200	17.27
Sugar-in-Process	QTs	**3300**	**113.68**	QTs	1080	30.78
Molasses-in-Process	MTs	**1082**	**75.74**	MTs	—	—
			1774.03			4434.69
iv. Details of Raw Material Consumed						
Sugarcane	MTs	**295328**	**7332.63**	MTs	302799	6853.14
			7332.63			6853.14

v. Value of imported and indigenous material consumed

Raw material	Percentage	Amount	Percentage	Amount
Indigenous	**100**	**7332.63**	100	6853.14
Imported	**0**	**—**	—	—
		7332.63		6853.14

vi. Value of imported and indigenous chemicals and consumables consumed

Chemicals & consumables	Percentage	Amount	Percentage	Amount
Indigenous	**100**	**91.92**	100	76.65
Imported	**—**	**—**	—	—
		91.92		76.65

q. Earnings / outgo in foreign currency— Nil

r. No Excise Duty is provided on the closing stock. However, the same does not have any impact on the Profit and Loss of the company as on 31.03.2016.

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.	:	32731	State Code	:	01
Balance Sheet Date	:	31.03.2016			

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	:	11,612.17	Total Assets	:	11,612.17
Source of Funds					
Paid up Capital (Equity)	:	3312.70	Paid up Capital (Preference)	:	408.00
Reserves & Surplus	:	(1283.86)	Secured Loans	:	11.27
Unsecured Loans	:	1654.65	Current Liabilities	:	7509.40
Application of Funds					
Net Fixed Assets	:	2404.60	Investments	:	2555.28
Net Current Assets	:	5126.86	Misc. Exps.	:	—
Profit and Loss A/c	:	—	Deferred Tax Asset	:	1525.94

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

Turnover	:	9440.62	Total Expenditure	:	11995.50
Profit before Tax	:	(2506.77)	Prior period adjustments	:	Nil
Profit after Tax	:	(1699.10)	Earning per Share	:	(5.13)
Dividend Rate	:	NIL			

5. Generic Names of three Principal Services of Company

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

For and on behalf of the Board

Sandeep Daga
Company Secretary

Pradeep Kumar Baid
Chief Financial Officer

Place : Hyderabad
Date : 24.09.2016

Vinod Baid
Chairman

K. Subba Rao
Director

Prudential Sugar Corporation Limited

Go Green Initiative

Dear Shareholder,

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

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

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

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

GO GREEN FORM

To
PRUDENTIAL SUGAR CORPORATION LIMITED

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

Fields marked with * are compulsory

Name of Shareholder(s)* : _____

Folio No.* : _____

No. of Shares held as on Date* : _____

E-mail ID (Permanent)* : _____

E-mail ID (Alternative) : _____

Contact No. (Mobile)* : _____

Contact No. (Fixed Line)* : _____

Signature : _____

Prudential Sugar Corporation Limited

PRUDENTIAL SUGAR CORPORATION LIMITED

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

Form No. MGT-11

PROXY FORM

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

Name of the member(s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____

DP ID : _____

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, December 30, 2016 at 11.00 am at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To Appoint a Director in the place of Shri Kurra Subba Rao (DIN 02552019), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors of the Company.
4. Re-appointment of Shri. Kurra Subba Rao (DIN 02552019), as Whole Time Director of the Company for a term of three year.
5. Re-appointment of M/s. N. S. V. Krishna Rao & Co., Cost Accountants, Hyderabad, as the Cost Auditor of the Company.

Signed this _____ day of _____ 2016

Signature of shareholder _____ Signature of Proxy holder(s) _____

Affix ₹ 1 Revenue Stamp

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

Prudential Sugar Corporation Limited

PRUDENTIAL SUGAR CORPORATION LIMITED

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

ATTENDANCE SLIP

TWENTY FIFTH ANNUAL GENERAL MEETING

Day: Friday, December 30, 2016 at 11.00 a.m.

I state that I am a member / proxy for the member of the Company. I hereby record my presence at the 25th Annual General Meeting at HMT Bearings Officers’ Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094

.....

Signature of Attending Member / Proxy

Applicable for investors holding shares in Electronic Form.

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

PRUDENTIAL SUGAR CORPORATION LIMITED

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

Registration of e-mail address for future communication

Name of the Shareholder :_____

Folio No. _____ DP. ID No. _____ Client ID. _____

Registered Address :_____

Signature :_____

E-mail ID :_____

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

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

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

Dear Sir,

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

Folio No. _____ DP ID No.* _____ and Client ID No.* _____
*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder :_____

Name of the Joint Shareholders (if any) :_____

No. of Shares held :_____

E-mail id for receipt of documents in :_____

Electronic mode :_____

Date:

Place: Signature:_____
(Sole / First Shareholder)

Note:

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

Google Maps HMT Bearings Officer Community Hall

HMT Bearings Officer Community Hall

Tourist Attraction

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

PRINTED MATTER

If undelivered, please return to:

Prudential Sugar Corporation Limited

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

mudrika graphics, ph: (040) 23815017, 23810012