
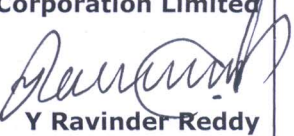




FORM B

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

1.	Name of the Company	Prudential Sugar Corporation Limited
2.	Annual financial statement for the year ended	31 st March, 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	The below mentioned qualification appears in the Balance Sheet was Repetitive
5.	<p>Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.</p> <p>Management Response Since the company is having accumulated losses, the management has decided not to make provision of Retirement Benefits as per AS-15 and Provision for Liabilities as per AS-29 in the books of accounts</p>	<p>Observation</p> <p>1) The company has not provided interest on accrual basis / certain liabilities, Refer Note No.22 (a), the impact is that the profit for the year is overstated by Rs. 1.06 lacks and cumulative impact is that the liabilities are understated by Rs. 432.40 Lacks.</p> <p>2) The company has provided less depreciation @ 5.28% on sugar work roller whereas eligible depreciation as per schedule XIV of the Companies Act is 100% . Refer Note No. 21(b)(2) , the impact of which is that the cumulative profit is overstated by Rs. 3.59 Lacks</p> <p>3) The Company did not redeem the 16% Redeemable Cumulative preference shares as per the terms of issue, and did not provide for arrears of dividend thereon, Refer Note No. 22 (a) (4), the impact of which is that the Current Liabilities are understated by Rs. 408 Lacks and the Capital is overstated by Rs. 408 Lacks</p> <p>4) The company has not accounted the provisions for retirement benefits as per AS-15, the impact of which is unascertained</p> <p>5) The Balance of Trade Receivables, Trade payables, Secured Loans, Unsecured Loans, Loans and advances, Other Current assets and Current Liabilities are subject to confirmation/reconciliation as indicated in Note No. 22 (e), the impact of which is unascertained.</p> <p>Management Response Since the company is having accumulated losses, the management has decided not to make provision of Retirement Benefits as per AS-15, Provision for Liabilities as per AS-29 in the books of accounts, Not Provided Interest and Provide for arrears of dividend.</p> <p>As pointed out by the Statutory Auditors, the company has not obtained confirmation of balances of Advances, Deposits, Unsecured Loans, other liabilities, Trade Receivables, Trade Payables and advance against Suppliers . The Company has made best of its efforts to obtain the same before signing the accounts for current financial year as well as for last financial year. Further, the management of the company confirms that balances shown in the books are true and correct as per their knowledge</p>

W

6.	Additional comments for the board / audit committee chair.	The Audit Committee took note of same and Formulated appropriate policies to avoid the same qualification in next financial year onwards
7.	To be signed by- Chairman CFO Chairman, Audit Committee Auditor of the Company	For Prudential Sugar Corporation Limited  Vinod Baid The Company does not have CFO For Prudential Sugar Corporation Limited  Y Ravinder Reddy For Laxminiwas & Jain (Firm No. 001859S)  (Sharada G Patil) Partner Chartered Accountants 

**23rd Annual Report
2013-2014**



Prudential Sugar Corporation Limited

Prudential Sugar Corporation Limited



BOARD OF DIRECTORS

Sri Vinod Baid	—	<i>Chairman</i>
Sri P.M. Nair	—	<i>Director</i>
Sri U.C. Bhandari	—	<i>Director</i>
Sri Kishore Jhunjunwala	—	<i>Director</i>
Sri Y. Ravinder Reddy	—	<i>Director</i>
Sri K. Subba Rao	—	<i>Executive Director</i>

COMPANY SECRETARY

Sri Sandeep Daga	—	Company Secretary
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AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

DEPOSITORY REGISTRAR

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



NOTICE

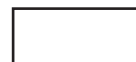
Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Tuesday, September 30, 2014 at 04.00 p.m. at Akash Ganga, Plot No. 144, Sri Nagar Colony, Hyderabad - 500 073, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri Vinod Kumar Baid (DIN: 00010142), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S), Hyderabad recommended by the Audit Committee of the Board of Directors, be and are hereby re-appointed as Statutory Auditors of the Company for a period of three financial years i.e., to hold office from the conclusion of this Annual General Meeting till the conclusion of 26th Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. Appointment of Shri Y Ravinder Reddy (DIN: 00011040) as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Y Ravinder Reddy (DIN: 00011040), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."
6. Appointment of Shri Kishore Jhunjunwala (DIN: 00035091) as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Kishore Jhunjunwala (DIN: 00035091), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019."



7. Appointment of Shri Maheswaran Nair Paramupillai (DIN: 00278909) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Maheswaran Nair Paramupillai (DIN: 00278909), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”

8. Appointment Ms.Sadhana Bhansali (DIN:06962425) as an Independent Director of the Company
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Sadhana Bhansali (DIN: 06962425), who is liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28h Annual General Meeting of the Company in the calendar year 2019.”

9. Appointment of Branch Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 143 (8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof), M/s Sibsankar & Associates, Chartered Accountants (Firm Registration Number: 323691E) be and are hereby appointed as Branch Auditors of the Company to audit the accounts of the Company’s branches/offices in India and to hold office from the conclusion of this Annual General Meeting (AGM), for three consecutive years until the conclusion of the 26th Annual General Meeting of the Company (subject to ratification by the members at every AGM) on a remuneration including terms of payment to be fixed by the Board of Directors of the Company.”

10. Increase in Borrowing powers of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or



Public Financial Institution as defined under Section 2(72) of the Companies' Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/ authorities and/ or through suppliers' credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in Indian currency or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.100 Crores (Rupees One Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

11. Creation of Charge on Movable and Immovable properties of the Company both present and future

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies' Act, 2013 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/ partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 100 Crores (Rupees One Hundred Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

12. Retirement of Director

To consider and if through fit, to pass with or without modification(s), the following resolution as

Prudential Sugar Corporation Limited



an Ordinary Resolution:

“RESOLVED not to fill for the time being the vacancy caused by the retirement of Shri U.C. Bhandari (DIN: 01429808), Director, who retires by rotation at the AGM and does not seek re-appointment.”

By Order of the Board of Directors

Place : Hyderabad
Date : 14.08.2014

VINOD BAID
Chairman

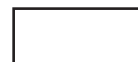
NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member.
2. The Register of Members and share transfer books of the Company shall remain closed from 26th September, 2014 to 30th September, 2014 (both days inclusive).
3. Members desiring any information as regards the Accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
4. Members are requested to notify change in address, if any, immediately to the company, quoting their Folio Number.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of all such folios together with Share Certificates for consolidation of their holdings into a single folio.
6. Members/Proxies should bring the Attendance Slips duly signed to the meeting and hand them over at the entrance. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting. Xerox copy/torn attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested to bring their copy of the Annual Report to the Meeting as copies will not be distributed at the Meeting hall due to prohibitive cost of printing.
7. Electronic copy of the Notice of the 23rd 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 to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
8. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies' (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting are given as a separate attachment to the Annual Report.
9. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories), initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.

By Order of the Board of Directors

Place : Hyderabad
Date : 14.08.2014

VINOD BAID
Chairman

Prudential Sugar Corporation Limited**Annexure to the Notice**

Notes on Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Profile of Directors being Appointed/Re-appointed:

Item No. 2

S.No.	Particulars	Sri Vinod Baid
1.	Age	54 years
2.	Date of Appointment	04.09.2001
3.	Qualification	B.Com., FCA and MIIA (USA)
4.	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.
5.	Other Directorships	Prudential Tirumala Sugars Limited Prudential Infotech Limited Premier Fiscal Services Limited Sri Venkateswara Sugar & Industries Limited
6.	Chairman/Member of the Committees of the Board of other Companies on which he is a Director	Nil

Item No. 3

S.No.	Particulars	Sri Kurra Subba Rao
1.	Age	65 years
2.	Date of Appointment	16.05.2013
3.	Qualification	B.Tech. (Mech.), B.O.E.
4.	Experience	He has vast experience in sugar business and various other Industries
5.	Other Directorships	Nil
6.	Chairman/Member of the Committees of the Board of other Companies on which he is a Director	Nil

Prudential Sugar Corporation Limited**Item No. 5**

S.No.	Particulars	Sri Y Ravinder Reddy
1.	Age	47 years
2.	Date of Appointment	22.03.2003
3.	Qualification	B.A.
4.	Experience	He has vast experience in executing Civil Works i.e., Road, Buildings, Bridges, Canals in Government Sector and Private Sectors, Cultivation Agriculture and Poultry Business
5.	Other Directorships	Gennex Laboratories Limited Rose Garden Developers Ltd. B&B Realty Ltd. Beam Cox Constructions (P) Ltd.
6.	Chairman/Member of the Committees of the Board of other Companies on which he is a Director	Audit Committee and Share Transfer Committee / Investors' Grievances Committee of Gennex Laboratories Limited

Item No. 6

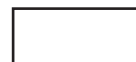
S.No.	Particulars	Sri Kishore Jhunjunwala
1.	Age	66 years
2.	Date of Appointment	31.10.2002
3.	Qualification	FCA
4.	Experience	He has vast experience in business and various other industries
5.	Other Directorships	Mercury Fund Management Co. Ltd. Deccan Remedies Ltd. Discovery Infoways Ltd. Discovery e-com Ltd. Discovery Institute of Information and Technology Ltd. Sindia Steel Ltd. Priyatama Exports (P) Ltd.
6.	Chairman/Member of the Committees of the Board of other Companies on which he is a Director	Nil

**Item No. 7**

S.No.	Particulars	Sri Maheswaran Nair Paramupillai
1.	Age	73 years
2.	Date of Appointment	26.05.2006
3.	Qualification	B.E., MBA
4.	Experience	He has 30 years of experience in sugar industry. He is a fellow member of Indian Sugar Technologists Association and of the Indian Institute of Plant Engineers. He is also a Member of Indian Council of Arbitrators, Indian Labour Law Association and Loss Prevention Association of India. He worked in different capacities across various companies.
5.	Other Directorships	D2R Bio-informatics Limited Response Projects (India) Limited Response Informatics Limited Harith Krishi Vikas Private Limited Splendour Infra and Energy Limited Divya Technical Services Limited Aujasya Agro Power Private Limited
6.	Chairman/Member of the Committees of the Board of other Companies on which he is a Director	A. Audit Committee and Share Transfer Committee/ Investors' Grievances Committee of Response Informatics Limited

Item No. 8

S.No.	Particulars	Sadhana Bhansali
1.	Age	25 years
3.	Qualification	Pursuing CA and CS Final
4.	Experience	Has extensive experience in Company and Taxation Laws
5.	Other Directorships	Nil
6.	Chairman/Member of the Committees of the Board of other Companies on which she is a Director	Nil



Explanatory Statement under Section 102(1) of the Companies Act, 2013

Item Nos. 5, 6 and 7

It is proposed to appoint Shri Y Ravinder Reddy (DIN: 00011040), Shri Kishore Jhunjunwala (DIN: 00035091) and Shri Maheswaran Nair Paramupillai (DIN: 00278909) as Independent Directors under Section 149 of the Act to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.

Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai for the office of Directors of the Company.

The Company has also received declarations from Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai fulfill the conditions for appointment as Independent Directors as specified in the Act. Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai are independent of the management.

Copy of the draft letters for respective appointments of Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Shri Y Ravinder Reddy, Shri Kishore Jhunjunwala and Shri Maheswaran Nair Paramupillai are interested in the resolutions set out respectively at Item Nos. 5, 6 and 7 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Ordinary Resolutions set out at Item Nos. 5, 6 and 7 of the Notice for approval by the shareholders.

Item No. 8

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Ms. Sadhana Bhansali (DIN: 06962425) be appointed as an Independent Director under Section 149 of the Act to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Sadhana Bhansali for the office of Director of the Company.

Ms. Sadhana bhansali is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declarations from Ms. Sadhana Bhansali that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act.



In the opinion of the Board, Ms. Sadhana Bhansali fulfills the conditions for appointment as Independent Directors as specified in the Act. Ms. Sadhana Bhansali is independent of the management.

Copy of the draft letters for respective appointment of Ms. Sadhana Bhansali as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9

The Company has branches in other places in India and may also open/acquire new branches in other places of India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches.

M/s. Sibsankar & Associates, Chartered Accountants (Firm Registration Number 323691E) have confirmed that their appointment, if made, will be in accordance with the prescribed conditions and they satisfy the eligibility criteria stated in the Act for the proposed appointment. In view of this, the Board has, on the recommendations of the Audit Committee, proposed the appointment of M/s. Sibsankar & Associates as Branch Auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of 26th AGM of the Company (subject to ratification of their appointment at every AGM) for approval of the members.

The Board recommends the Resolution at Item No. 9 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in the Resolution at Item No.9 of the accompanying Notice.

Item No. 10

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs.100 Crores (Rupees One Hundred Crores Only).

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors are concerned or interested in the Resolution at Item No.10 of the accompanying Notice.

Item No.11

The Company is required to create security for the said facilities as mentioned under Item No.11 above in favour of the Lenders/ Trustees for the Non-Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No.11 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180(1)(a) of the Companies Act

Prudential Sugar Corporation Limited



2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs.100 Crores (Rupees One Hundred Crores Only).

Your Directors recommend the resolution for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in the Resolution at Item No.11 of the accompanying Notice.

Item No. 12

Shri U.C. Bhandari (DIN: 01429808) is a non-Executive (Independent) Director of the Company. He joined the Board of Directors of the Company in August 31, 2002. Shri U.C. Bhandari retires by rotation at the ensuing AGM under the erstwhile applicable provisions of the Companies Act, 1956, and does not seek re-appointment owing to his busy schedule and commitments on other overseas Boards. Accordingly, Shri U.C. Bhandari retires at this AGM and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution set out at item No.12 of the Notice.

The Board recommends the Ordinary Resolution set out at item No.12 of the Notice for approval by the members.



DIRECTORS' REPORT

To,

The Members,

1. Your Directors have pleasure in submitting their Twenty Third Annual Report with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2014.

2. Financial Performance

(Rs. in Lakhs)

	for the Year ended 31.03.2014	for the Year ended 31.03.2013
Total Income	8195.26	11244.73
Profit/(Loss) before Interest and Depreciation	689.51	798.59
Less: Interest	243.07	263.38
Profit/(Loss) after Interest but before Depreciation & Tax		
Depreciation & Tax	446.44	535.21
Less: Depreciation	285.50	283.79
Profit/(Loss) before tax	160.94	251.42
Provision for Tax:		
- Taxation for earlier year	—	—
- Current	—	—
- Deferred Tax Asset	54.94	83.07
Profit/(Loss) after Tax and Dividend	106.00	168.36
Add: Balance brought from previous year	(115.19)	(283.55)
Surplus/(Loss) carried to Balance Sheet	(9.19)	(115.19)

3. Review of Operations

During the crushing season 2013-2014 Company has crushed 298953 Mts of cane as against 327718 MTs of cane crushed during crushing season 2012-13. The average recovery during the year under review was 9.10% as against 8.91% during last crushing season.

4. Dividend

In view of the adverse working results caused by factors explained in this report, your Directors regret their inability to recommend payment of any Dividend for the year.

5. Sugar Industry Overview

Opportunities :

The long term outlook for sugar remains positive and promising on account of :

- Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- Growing energy consumption in India allowing the sugar industry to play a vital role.
- Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- Expected flow of funds from Trading of Renewable Energy Certificate (REC0).
- More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- Growing demand for bio manure, which works as the perfect soil conditioner. Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.,



Threats :

Sugar industry is at present confronted by the following threats:

- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- The spurt in cane procurement prices is expected to remain volatile for a couple of years.
- Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.
- Sugar weight-age in WPI.
- Short crushing season.
- Shrinkage of sugarcane area under cultivation due to growing urbanization.

Future Outlook:

The future outlook of sugar would depend on the following :

- Development of high breed varieties of sugarcane suitable for Indian climatic conditions and to achieve vertical growth in sugarcane productivity.
- Development of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings.
- Swift adaptation of new cultivation method for mechanized harvesting.
- Agro-climatic conditions in major sugar-producing states.
- Permitting Green Energy produces to market directly to third parties.

6. Internal Control, System and their Adequacy

The Company has established framework of internal controls for ensuring optimum use of resources and safeguarding of assets. Clear Policies have been laid down for approval and control of expenditure. Investment decision and capital expenditure are subject to formal detailed appraisal and review. Capital and revenue expenditure is monitored and controlled with reference to approved budgets.

7. Public Deposits

Deposits collected from Shareholders and Public as on 31.03.2014 is Nil. No Deposits are due and outstanding for payment as on 31.03.2014.

8. Directors

Mr Vinod Kumar Baid & Shri K. Subba Rao are retiring by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

9. Directors' Clarification on Auditors' Report

Since the company is having accumulated losses, the management has decided not to make provision of Retirement Benefits as per AS-15 and Provision for Liabilities as per AS-29 in the books of accounts.

10.Environmental friendliness & pollution free techniques

The consultants and the management of your Company are putting continuous efforts on the protection of environment and industrial safety at the factory zone and adequate anti-pollution measures, viz. installation of effluent treatment plant, etc. have been taken for the protection of environment of the factory as per the norms prescribed by the Government. The Company has valid Pollution Control Clearances in respect of both Air and Water.

11.Personnel

Your Company continued to maintain cordial and harmonious relations between the employees during



the year under review. The Directors hereby place on record their appreciation of efficient and loyal services rendered by the employees at all levels.

There are no employees in the Company whose particulars are required to be given pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

12.Conservation of energy, technology absorption and foreign exchange earning/outgo

A Statement containing necessary information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and marked 'A' forming part of this Report.

13.Directors' Responsibility Statement

Your Directors confirm that:

- i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the Accounting year ended 31st March, 2014 and of the Profit of the Company for that year;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis.

14.Corporate Governance

As prescribed under the Listing Agreement with the Stock Exchanges a separate report along with Auditors' Certificate on its compliance by your Company, are included as part of the Annual Report.

15.Auditors

M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad, the Auditors of your Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

16.Acknowledgement

Your Directors place on record their gratitude to the Company's Bankers, Sugar Dealers, Cane Growers, Shareholders, Business Associates and Government Bodies for the patronage, encouragement and support extended to company.

Your Directors also wish to place on record their acknowledgement of the committed efforts of the Executive Staff and workers at all levels in attaining the results for the year.

For and on behalf of the Board

Place : Hyderabad
Date : 14.08.2014

Vinod Baid
Chairman



ANNEXURE – A

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998.

A. Conservation of Energy

a. Energy Conservation measures taken:

1. The Plant is equipped with highly efficient equipment to run at optimum conditions. The boilers are working at higher pressures. Evaporation of Juice is done with the Double effect vapour cell resulting in steam economy for the process, the total steam consumption is of the order of 47% on cane crushed against the standard of 50%.
2. We have replaced all the jet condenser systems and all the pans with spray nozzle type condenser to save around 3% energy.
3. Desuper heating station condensate is diverted to boiler water storage tank. Hereby we are saving about 0.5% heat energy and reducing effluent quantity.

b. Additional investment and proposals, if any being implemented for reduction of consumption of energy.... NIL

Company is planning to set up a co-generation plant of 10 MW capacity.

c. Impact of the measures at (a) and (b) above for reduction of consumption and consequent impact on reduction in cost of production is Rs.6.00 per bag.

d. Total energy consumption and energy consumption per unit of production --- as per Form 'A'

B. Technology Absorption

Efforts made in technology — As per Form 'B'

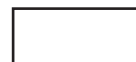
C. Foreign Exchange Earnings & Outgo

1. Activities relating to exports, initiatives taken to increase exports/development of new export markets for products and services.... NIL

2. Total Foreign exchange Earnings and Outgo	Rs. lakhs
Foreign Exchange Outgo	NIL

**FORM A
(See Rule 2)****FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION
OF ENERGY**

DESCRIPTION	2013-14	2012-13
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
a. PURCHASED		
Units KWH	4,02,856	4,13,988
Total Amount (Rs.)	44,89,077	40,44,901
Rate per Unit (Rs.)	11.14	9.77
b. OWN GENERATION		
1. Through Diesel		
Generator Units (KWH)	10,045	33,352
Units per Ltr. of Diesel Oil	2.54	2.71
Cost per Unit (Rs.)	23.64	18.90
2. Through Steam Turbine / Generator Units (KWH)	73,18,272	80,04,360
KWH per tonne of Bagasse	232.45	2000.01
Cost per Unit (Rs. 1,000/-)	6.23	6.38
2. BAGASSE		
Quantity (Tonnes)	32,482	40,020
Total Cost (Rs.)	Own Bagasse	Own Bagasse
Average Rate (Rs.)	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity KWH (Per Tonne)	270.60	272.60



FORM – B

**Disclosure of particulars with respect to Technology Absorption,
Research and Development**

1. Specific areas in which R&D carried out by the company

- a. Usage of Trichogramma card, a new biological tool used to control borers as successfully tested for the internode borer management in sugar cane.
- b. Usage of Wildmint extract spray on sugar cane to control leaf sucking pest effectively as a low cost technology in sugar cane crop management.
- c. For better variety evaluation, varietal screening is done in stages.
- d. Modified cane planting method like paired row method and pit method for using drip irrigation system effectively.

2. Benefits derived as a result of the above R & D

- a. Internode borer is controlled to manageable extent and improvement in yield is achieved.
- b. Better varieties of cane have been identified which are suitable for cultivation.
- c. Drip installation is made efficient.
- d. Productivity per acre is increased and farm earnings also improved.

3. Future plan of action

- a. Increase in cane area under micro irrigation system to face drought in future and optimizing planting geometry by introduction of paired row system in planting of cane.
- b. Organic farming in sugar cultivation and taking effective steps to evolve a farmer friendly technology for trash composting and introduction of vermi compost as an additional income generating plan to the farmer.
- c. Introduction of mechanical harvester for sugar cane harvesting to reduce the manpower dependence.

4. Expenditure on Research and Development

	(Rs.in lakhs)
a. Capital	—
b. Recurring	1.87
c. Total	1.87
d. Total R&D expenditure as a percentage of total turnover	0.02%



TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation.

Introduction of African breed of earthworms suited to local condition with expected production of maximum quantity of humus.

2. Benefits derived as a result of the above efforts, eg., product improvement, cost reduction, product development, import substitution, etc.

Nutritive value of vermi compost is improved and the impact on vermi compost over sugar cane yield is also significant.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

- a) Technology imported }
b) Year of Import }
- c) Has technology been fully absorbed ? } Not applicable
- d) If not fully absorbed, areas where this has }
Not taken place, reasons therefore and }
Future plan of action }



CORPORATE GOVERNANCE REPORT

Prudential Sugars Limited is committed to good governance practices that create long term sustainable shareholders value”

1. Company’s philosophy

Prudential Sugars Limited is committed to good governance practices that create long term sustainable shareholder value. The company’s philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all acts of its operations and in all its interactions with its operations concerning financial institutions, banks, shareholders, employees, the Government and the lenders.

2. Board of Directors

The Company’s policy is to maintain optimum combination of Executive and Non-Executive Directors. The strength of the Board as on March 31, 2014 was six, The Non Executive Chairman, and one Whole Time Director and Four Non-Executive Independent Directors.

Seven Board Meetings were held during the financial year ended March 31, 2014. The dates of the Board Meetings are as follows:

30.05.2013, 26.07.2013, 14.08.2013, 02.09.2013, 15.12.2013 15.01.2014, 13.02.2014

The Composition of Board of Directors, attendance at the Board Meetings during the financial year ended March, 31, 2014 and the last Annual General Meeting and also number of other directorships of the Directors as on March, 31, 2014, are given below:

Name of the Director	Nature of Directorships	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at Last AGM	No. of Directorships
Sri Vinod Baid	Promotor and Non-Executive Chairman	7	7	Present	4
Sri K Subba Rao	Whole Time Director	7	5	Absent	0
Sri U.C. Bhandari	Non-Executive Independent Director	7	3	Absent	7
Sri Kishore Jhunjunwala	Non-Executive Independent Director	7	3	Absent	7
Sri Y. Ravinder Reddy	Non-Executive Independent Director	7	7	Present	4
Sri P.M. Nair	Non-Executive Independent Director	7	5	Present	7



3. Audit Committee

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and as per the provisions of Clause 49 of the Listing Agreement. The Audit Committee consists of Non Executive Independent Directors and assists the Board in fulfilling its overall responsibilities. This comprises of three Non-Executive independent directors.

The following are the members of the Audit Committee.

1. Shri U.C. Bhandari - Chairman
2. Shri Kishore Jhunjunwala - Member
3. Shri Y. Ravinder Reddy - Member

Brief description of terms of reference

The terms of reference of the Audit Committee include the following

- a. Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c. Approve payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2A) of section 217 of the Companies Act, 1956.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statement arising out of audit findings
 - v. Compliance with listing and other legal requirement relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.

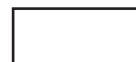
The Audit Committee met four times during the year on 13.05.2013, 12.08.2013, 13.11.2013 and 11.02.2014

Name of the Director	No. of Meetings attended
Sri U.C. Bhandari	4
Sri Kishore Jhunjunwala	4
Sri Y. Ravinder Reddy	4

The necessary quorum was present at the meetings.

4. Remuneration of Directors

In the earlier Annual General Meeting, the members had approved remuneration to Shri K. Subba Rao Whole Time Director. The Company has no Stock Option scheme to any of the Directors of the company.



5. Shareholders'/ Investors' Grievance Committee

The shareholders' grievance committee has been constituted to oversee redressal of shareholders complaints. Shri U.C.Bhandari, Shri Kishore Jhunjunwala & Shri Y. Ravinder Reddy are the members of the committee.

During the year 2013-2014, 5 complaints were received from shareholders/investors. All complaints have been redressed to the satisfaction of the complainants.

All valid share transfers received during the year 2013-2014 have been acted upon by the Company and there were no pending share transfers as on 31st March, 2014.

6. General Body Meetings

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

Financial Year	Date	Location of the Meeting	Time
2010-11	30th September, 2011	PSCL, Akash Ganga Plot No. 144, Srinagar Colony.	04.00 pm
2011-12	26th December, 2012	PSCL, Akash Ganga Plot No. 144, Srinagar Colony.	11.00 am
2012-13	30th September, 2013	PSCL, Akash Ganga Plot No. 144, Srinagar Colony.	04.00 pm

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

7. Disclosures

- Disclosures on materially significant related party transactions i.e, transaction of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large: The Company did not have any related party transactions, which may have potential conflict with the interests of the Company at large.
- Details on non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years: The Company has complied with requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

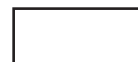
The Shares of the company listed on National Stock Exchange and Bombay Stock Exchange, The Company's trading was suspended in both Stock Exchanges and since then, the company is regularly complying with all the provisions of listing agreement.

8. General shareholder information

A. Annual General Meeting

Date and Time	:	30.09.2014 at 04.00 pm
Venue	:	Akash Ganga, Plot No. 144 Sri Nagar Colony, Hyderabad - 500 073. Telangana
Demat ISIN No.	:	NSDL and CDSL
Equity Shares	:	INE024D01016

Prudential Sugar Corporation Limited



B. **Date of Book Closure** : 26.09.2014 to 30.09.2014 (both days inclusive)

C. Registrar & Share transfer Agent

R&D Infotech (P) Ltd., 1st Floor, 7A, Beltala Road (Naresh Mitra Sarani), Kolkata - 700 026
Telefax: 033-24192641/42; Fax: 033-24761657

D. Address for Correspondence

Prudential Sugar Corporation Limited
Akash Ganga, Plot No. 144
Door No. 8-3-1053, Srinagar Colony
Hyderabad - 500 073.
Telefax: 040-23746451 / 67334400 Fax: 040-67334433/67334401

E. Transfer system

To comply with the rules of the Listing Agreement the Company has appointed M/s. R&D Infotech Pvt. Ltd. as common agency for the transfer of Physical as well as Demat of the Shares.

F. Dematerialization of shares and liquidity

The Company's shares being in compulsory Demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the Investors Grievance Committee. The share transfer process is reviewed by the said Committee.

As on 31st March, 2014, a total of 18535289 shares of the Company, which forms 51.84% of the Share Capital, stands dematerialized.

G. Financial Calendar

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

H. Distribution of Share holding as on 31st March, 2014

Share holding of Nominal value of Rs.		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10,267	89.13	2,08,27,500	5.83
5,001 —	10,000	549	4.77	46,54,450	1.30
10,001 —	20,000	316	2.74	48,74,290	1.36
20,001 —	30,000	79	0.69	20,11,660	0.56
30,001 —	40,000	81	0.70	30,95,000	0.87
40,001 —	50,000	36	0.31	17,32,490	0.48
50,001 —	1,00,000	92	0.80	72,98,460	2.04
1,00,001 and above		99	0.86	31,30,26,150	87.55
Total		11,519	100.00	35,75,20,000	100.00



I. Shareholding Pattern as on 31st March, 2014

Category	No. of shares held	Percentage of shareholding
1. Promoters' Holding		
1. Indian Promoters		
- Individual	1,01,80,107	28.47
- Bodies Corporate	1,48,78,099	41.61
- Foreign Promoters	—	—
2. Persons acting in concert	—	—
Sub-Total - (1)	2,50,58,206	70.09
2. Non-Promoters' Holding		
Institutional Investors		
a. Mutual Funds and UTI	3,41,600	0.96
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	12,900	0.04
c. FII's	—	—
Sub-Total - (2)	3,54,500	0.99
3. Others		
a. Private Corporate Bodies	39,64,671	11.09
b. Individuals	63,74,623	17.83
Sub-Total - (3)	1,03,39,293	28.92
Grand Total (1)+(2)+(3)	3,57,52,000	100.00

Prudential Sugar Corporation Limited



J. Listing on Stock Exchange with Stock Code

Name of the Stock Exchange	Stock Code	Address
1. The Stock Exchange, Mumbai	500342	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
2. National Stock Exchange of India Limited	PRUDMOULI	Exchange Plaza, 5th Floor, Plot No. C/1 G Block, Bandra Kurla Complex, (East) Mumbai - 400 051.
3. Madras Stock Exchange	PRUDENTSUG	Exchange Building, Post Box No. 183, 11 Second Line Beach, Chennai - 600 001.
4. The Stock Exchange, Ahmedabad	PRUDSUG	Main Chowk, Ahmedabad - 480 001.
5. The Calcutta Stock Exchange Association Limited		7, Lyons Range Kolkata – 700 001.

Annual Listing Fee has been paid for the Year 2012-13 for BSE & NSE.

K. The Company has not issued any GDRs/ADRs/Warrants or any other Convertible instruments.

L. Plant Location

“PRUDENTIAL NAGAR”, P.O. Koppedu, Nindra Mandal, Chittoor District, Andhra Pradesh,
Pin - 517 587, Phones: 08576-271093, 271202, Fax: 08576-271201.
Email: psclsugar@gmail.com

M. Address for Correspondence

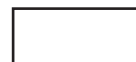
Prudential Sugar Corporation Limited, Registered Office at “Akash Ganga”, Plot No. 144, Door
No. 8-3-1053, Sri Nagar Colony, Hyderabad - 500 073. Telangana. Phones: 040-23746451,
23746692, Fax: 040-66822871

Email: psclsugar@gmail.com

Shareholders holding shares in electronic mode should address all their correspondence to
their respective Depository Participant.

As required by Clause 49 of Listing Agreement the auditors certificate is attached herewith.

Prudential Sugar Corporation Limited



Certified by Executive Vice President

- I, Pradeep Kumar Baid, Executive Vice President of Prudential Sugar Corporation Limited certify that:
- a. I have reviewed the financial statements and the cash flow statements for the year 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 my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
 - c. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
 - d. I have indicated to the Auditors and the Audit Committee
 - i. Significant changes in internal controls during the year, if any.
 - ii. that there are no significant changes in accounting policies during the year.
 - iii. that there have been no instances of significant fraud of which I have become aware, involving the management or an employee having a significant role in the Company's internal control system.

Place : Hyderabad

Pradeep Kumar Baid

Date : 30/05/2014

Executive Vice President

Auditors' Certificate to the members of Prudential Sugar Corporation Limited on Compliance of the conditions of Corporate Governance for the year ended 31st March, 2014 under clause 49 of the Listing Agreement with the Stock Exchanges

We have examined the compliance of the conditions of Corporate Governance by Prudential Sugar Corporation Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges (hereinafter referred to as Clause 49).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has by 31st March, 2014, complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49.

As required by the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, the Company have certified that as on 31st March, 2014 there were no investor grievances remaining pending for a period exceeding one month, and as explained to us by the management, the Company have reported to the Shareholders/Investors' Grievances Committee regularly on the status of such grievances.

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

Place : Hyderabad

Date : 30/05/2014

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



INDEPENDENT AUDITORS' REPORT

To
The Members,
PRUDENTIAL SUGAR CORPORATION LIMITED
Hyderabad

Report on Financial Statements

We have audited the accompanying financial statements of Prudential Sugar Corporation Limited, Hyderabad, ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed there to in which are incorporated the return of Kolkatta Branch Audited by Branch Auditor, M/s Sibsankar & Associates, Chartered Accountants, membership No. 052745 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 15 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- * **The company has not provided interest on accrual basis / certain liabilities, Refer Note No.22 (a), the impact is that the profit for the year is overstated by Rs. 1.06 lacs and cumulative impact is that the liabilities are understated by Rs. 432.40 Lacs.**
- * **The company has provided less depreciation @ 5.28% on sugar work roller whereas eligible depreciation as per schedule XIV of the Companies Act is 100% . Refer Note No. 21(b)(2) , the impact of which is that the cumulative profit is overstated by Rs. 3.59 Lacs.**

Prudential Sugar Corporation Limited



- * **The Company did not redeem the 16% Redeemable Cumulative preference shares as per the terms of issue, and did not provide for arrears of dividend thereon, Refer Note No. 22 (a) (4), the impact of which is that the Current Liabilities are understated by Rs. 408 Lacs and the Capital is overstated by Rs. 408 Lacs.**
- * **The company has not accounted the provisions for retirement benefits as per AS-15, the impact of which is unascertained.**
- * **The Balance of Trade Receivables, Trade payables, Secured Loans, Unsecured Loans, Loans and advances, Other Current assets and Current Liabilities are subject to confirmation/ reconciliation as indicated in Note No. 22 (e), the impact of which is unascertained.**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, the financial statements, gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date. Report on other Legal and Regulatory Requirements
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance sheet, statement of Profit and Loss and the cash flow statement comply with the accounting standard refer to in sub section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 15 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31,2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place : Hyderabad
Date : 30/05/2014

Smt. Sharada G. Patil
Partner
Membership No. 015332

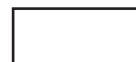


ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets which is required to be updated.
b. All the assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c. In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. a. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. In our opinion and on the basis of our examination of the records, the Company is maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans to any company, covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently the provisions of clauses 3(b), 3(c) and 3(d) of the order are not applicable.
e. According to the information and explanations given to us, during the year the company has not taken any unsecured loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. However the Year end balance of Loan Outstanding from such parties taken in earlier year is Rs. 112 lacs.
f. In our opinion, the rate of interest and other terms and conditions on which loans were taken from Companies, Firms, or other parties covered under the register maintained under Sec.301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
g. According to the information and explanations given to us, the company is regular in repayment of the principal and interest wherever applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and for the sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the transactions made in pursuance of contracts or arrangements that need to be entered in the register to be maintained under Section 301 of the Act have been so entered.
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act and exceeding value of Rs. Five Lakhs in respect of each party during the financial year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. During the year, the company has not accepted any deposits from the public within the meaning of Sec. 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

Prudential Sugar Corporation Limited



7. In our opinion, the Company has an internal audit system by their own staff, which needs to be further strengthened.
8. We have broadly reviewed the books of accounts relating to material, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Sec. 209(i)(d) and are of the opinion that prima facie 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.

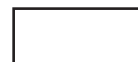
Sl.No.	Nature of Dues	Name of Statute	Amount	Pending before
1.	Sales Tax	APGST 1957	11.15 lacs	High Court of Andhra Pradesh

10. In our opinion the accumulated losses of the company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has defaulted in repayment of dues to IIBI for a sum of Rs. 11.27 lacs.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in Shares, Securities debentures and other investments. Accordingly, the provision of this clause of the Companies (Auditor's Report) Order is not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution during the year.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the company has not issued any debentures.
20. According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place : Hyderabad
Date : 30/05/2014

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

Prudential Sugar Corporation Limited



BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Notes	As at 31.03.2014 In Rupees	As at 31.03.2013 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	1	372,070,000	323,320,000
Reserves & Surplus	2	65,579,815	(10,019,842)
		437,649,815	313,300,158
2 Non-current liabilities			
Long-term borrowings	3	1,127,000	18,038,004
Other Long term liabilities		—	—
Long-term provisions	4	8,021,230	8,021,230
		9,148,230	26,059,234
3 Current liabilities			
Short-term borrowings	5	154,330,063	136,300,971
Trade payables		352,472,501	382,837,469
Other current liabilities	6	69,704,826	76,401,621
Short-term provisions		—	—
		576,507,390	595,540,061
		1,023,305,435	934,899,453
(TOTAL OF 1+2+3)			
II. ASSETS			
Non-current assets			
1. Fixed assets			
Tangible assets	7	217,559,483	242,109,455
Intangible assets		—	—
Capital work-in-progress		—	—
Non-current investments	8	5,528,005	5,528,005
Deferred tax assets (net)		59,232,073	64,726,304
Long-term loans and advances		—	—
Other non-current assets		—	—
		282,319,561	312,363,763
2. Current assets			
Current investments		—	—
Inventories	9	512,023,278	413,804,004
Trade receivables	10	58,410,509	64,022,934
Cash and cash equivalents	11	7,430,053	17,590,473
Short-term loans and advances	12	163,122,034	127,118,279
Other current assets		—	—
		740,985,874	622,535,690
		1,023,305,435	934,899,453
(TOTAL OF 1+2)			
III. SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO ACCOUNTS	21		
	22		

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

For and on behalf of the Board

As per our report of even date

For **Laxminiwas & Jain**

Chartered Accountants

Firm Regn. No. 001859S

Place : Hyderabad **Vinod Baid**

K. Subba Rao

Sandeep Daga

Smt. Sharada G. Patil

Date : 30/05/2014

Chairman

Director

Company Secretary

Partner

Membership No. 015332

Prudential Sugar Corporation Limited



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	Notes	Year ended 31.03.2014 In Rupees	Year ended 31.03.2013 In Rupees
I. Income:			
Revenue from operations	13	819,525,643	1,124,473,600
Less: Excise Duty		<u>37,827,935</u>	<u>44,409,168</u>
		781,697,708	1,080,064,432
Other income	14	<u>612,698</u>	<u>235,292</u>
Total Revenue (I)		<u>782,310,406</u>	<u>1,080,299,724</u>
II. Expenses:			
Cost of materials consumed	15	693,494,654	835,384,347
Purchases of Stock-in-Trade		-	-
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	16	(99,652,510)	40,156,506
Employee benefits expense	17	56,360,270	50,617,988
Finance costs	18	24,307,183	26,337,683
Depreciation and amortization expense	19	28,550,132	28,379,136
Other expenses	20	<u>63,156,788</u>	<u>74,273,269</u>
Total Expenses (II)		<u>766,216,517</u>	<u>1,055,148,929</u>
Profit before Exceptional, Extraordinary items & Taxation		16,093,889	25,150,795
Exceptional items: Loss on sale of Asset		—	8,536
Les : Deferred Tax Assets		5,494,232	8,306,614
Profit / (Loss) for the year from continuing operations		<u>10,599,657</u>	<u>16,835,645</u>
Earnings per equity share:			
Basic		0.33	0.59
Diluted		0.32	0.58
III. SIGNIFICANT ACCOUNTING POLICIES	21		
NOTES TO ACCOUNTS	22		

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

For and on behalf of the Board

As per our report of even date

For **Laxminiwas & Jain**
Chartered Accountants

Firm Regn. No. 001859S

Place : Hyderabad **Vinod Baid** **K. Subba Rao** **Sandeep Daga**
Date : 30/05/2014 Chairman Director Company Secretary

Smt. Sharada G. Patil
Partner

Membership No. 015332

Prudential Sugar Corporation Limited**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

	31.03.2014	31.03.2013 (Rs. in lakhs)
Cash flow from Operating activities		
Net Profit before Tax and Extraordinary items	160.94	251.42
Adjustments for :		
Depreciation	285.50	283.79
Interest paid	243.07	263.38
Other Income	(6.12)	(2.35)
Operating Profit before working capital changes	683.39	796.24
Adjustments for:		
Decrease/(Increase) in Trade and Other Receivables	(303.91)	(116.48)
Decrease/(Increase) in inventories	(982.19)	404.78
(Decrease)/Increase in Trade Payables/current liabilities	(370.62)	(46.95)
Cash generation from operations (A)	973.33	1037.59
Cash flow from Investing Activities		
Purchase of Fixed assets	(40.00)	(29.98)
Proceeds from sale of fixed assets	0.00	0.25
Other Income	6.12	2.35
Net Cash flow from Investing activities (B)	(33.88)	(27.38)
Cash flow from Financing activities		
Repayment of Long Term Borrowings	(169.11)	(955.67)
Repayment of Short Term Borrowings	180.29	39.66
Interest paid	(243.07)	(263.38)
Receipt of Share Money from partly paid Shares	487.50	0.00
Share Premium Received	650.00	0.00
Net Cash flow from Financing activities (C)	905.61	(1179.39)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(101.60)	(169.18)
Add: Opening Cash and cash equivalents	175.90	345.08
Cash and cash equivalents at the end of the period	74.30	175.90

For and on behalf of the Board

As per our report of even date

For **Laxminiwas & Jain**

Chartered Accountants

Firm Regn. No. 001859S

Place : Hyderabad
Date : 30/05/2014**Vinod Baid**
Chairman**K. Subba Rao**
Director**Sandeep Daga**
Company Secretary**Smt. Sharada G. Patil**
Partner

Membership No. 015332

Prudential Sugar Corporation Limited



As at 31.03.14
In Rupees

As at 31.03.13
In Rupees

1. SHARE CAPITAL

Authorised

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

Issued

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

Subscribed & Fully Paid up

1,54,06,400 Equity shares of Rs.10/ each	154,064,000	154,064,000
1,03,45,600 Equity shares of Rs.10/- each (Converted from 2586400 Equipref Shares of Rs 40/ each)	103,456,000	103,456,000
20,000 16% Cum.Redemable Pref. Shares of Rs.40/ each (Rs.10/ converted into Equity)	800,000	800,000
65,00,000 Equity shares of Rs.10/- each	65,000,000	—
	<u>323,320,000</u>	<u>258,320,000</u>

Subscribed but not fully Paid up

35,00,000 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	25,000,000
1000000 16% Cum.Redemable Pref.Shares of Rs.50/- each Rs.40/- per share each called up and up	40,000,000	40,000,000
Total	<u>48,750,000</u>	<u>65,000,000</u>

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

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

S. No.	Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	VAB Ventures Ltd.	10,377,599	29.03	9,877,599	27.62
2	Bank of India	3,500,500	9.79	3,500,500	9.79
3	Chadalavada Krishna Moorthy	2,125,000	5.94	2,125,000	5.94
4	Sucharitha Manda	2,000,000	5.59	2,000,000	5.59

Prudential Sugar Corporation Limited



As at 31.03.14
In Rupees

As at 31.03.13
In Rupees

2. RESERVES AND SURPLUS

CAPITAL RESERVES

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

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

Opening balance	(11,519,843)	(28,355,486)
(+) Net Profit/(Net Loss) For the current year	10,599,657	16,835,645
Share Premium Account		
Premium @ Rs.10/- on 65,00,000 Equity shares	65,000,000	—
Closing Balance	(64,079,815)	(11,519,842)
Total	65,579,815	(10,019,842)

3. LONG TERM BORROWINGS

a. Term loans

Rupee loan from banks - IIBI Limited	1,127,000	1,127,000
Rupee loan from banks	—	16,759,004

b. Vehicle Loan from Bank

	—	152,000
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Total	1,127,000	18,038,004
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Notes

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

4. PROVISIONS (Long Term)

a. Provision for employee benefits

Superannuation (unfunded)	8,021,230	8,021,230
Total	8,021,230	8,021,230

Prudential Sugar Corporation Limited



As at 31.03.14
In Rupees

As at 31.03.13
In Rupees

5. CURRENT LIABILITIES

SHORT TERM BORROWINGS

Cash credit from Banks (Secured)
Crop Loan (Secured)

100,308,313 82,279,221
42,000,000 42,000,000

142,308,313 124,279,221

Unsecured

a. Other Loans and advances

From Directors
From Others (Corporate)

11,200,000 11,200,000
821,750 821,750

12,021,750 12,021,750

Total

154,330,063 136,300,971

TRADE PAYABLES

352,472,501 382,837,469

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

6. OTHER CURRENT LIABILITIES

a. Interest accrued but not due on borrowings
b. Accrued Salaries and Benefits
c. Statutory Dues
d. Vehicle Loan
e. Others

4,167,468 3,983,684
6,139,803 6,035,862
36,398,760 51,805,780
152,000 228,000
22,846,796 14,348,295

Total

69,704,826 76,401,621



(In Rupees)

7. FIXED ASSETS

Sl. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01.04.2013	Additions during the year	Deductions during the year	Cost upto 31.03.2014	Total Dep. upto 31.03.2013	Depreciation for the year	Depreciation on deletions	Total Dep. upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Land	16,343,937	—	—	16,343,937	—	—	—	—	16,343,937	16,343,937
2	Plant & Machinery	426,862,108	3,595,815	—	430,457,923	291,186,566	22,533,203	—	313,719,769	116,738,154	135,675,542
3	Furniture & Fittings	23,878,793	404,348	—	24,283,141	22,039,442	1,498,357	—	23,537,799	745,342	1,839,351
4	Buildings	157,717,744	—	—	157,717,744	70,966,495	4,231,131	—	75,197,626	82,520,118	86,751,249
5	Vehicles	5,828,175	—	—	5,828,175	4,328,803	287,442	—	4,616,245	1,211,930	1,498,955
	Total	630,630,757	4,000,163	—	634,630,920	388,521,306	28,550,132	—	417,071,438	217,559,482	242,109,034
	Previous Year	627,681,149	2,997,519	48,328	630,630,340	360,166,962	28,379,136	24,792	388,521,306	242,109,034	267,514,188

Prudential Sugar Corporation Limited



As at 31.03.14
In Rupees

As at 31.03.13
In Rupees

8. NON-CURRENT INVESTMENTS

Trade Investments (Valued at cost unless stated otherwise)

Equity Shares (quoted)

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

Equity Shares (Unquoted)

5,50,000 Equity Shares of Rs.10/- each fully paid up in Prudential Spinners Ltd.	5,500,000	5,500,000
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Other Investments

National Savings Certificate (Deposited with Forest Department)	11,000	11,000
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Total	5,528,005	5,528,005
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9. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

a. Work-in-progress	4,100,000	4,700,500
b. Finished Goods	452,154,124	351,901,115
c. Stores and spares	55,515,236	56,945,271
d. Loose Tools	253,919	257,118

Total	512,023,278	413,804,004
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10. TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)

Trade receivables outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good	58,410,509	64,022,934
Less: Provision for doubtful debts	—	—

Total	58,410,509	64,022,934
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11. CASH AND BANK BALANCES

a. Balances with banks*	—	—
On Current accounts	6,269,851	16,803,093
b. Margin Money	753,954	727,510
c. Cash on hand*	406,248	59,870

Total	7,430,053	17,590,473
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12. SHORT TERM LOANS AND ADVANCES

a. Loans and advances to related parties

Unsecured, considered good	154,997,395	114,545,946
Doubtful	—	—
Less: Provision for doubtful loans and advances	—	—
	154,997,395	114,545,946

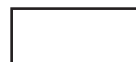
b. Others

Loans and advances to employees	944,067	811,025
Prepaid Expenses	100,103	264,935
Balances with Statutory/Government Authorities	5,693,802	5,566,449
Others	1,386,666	5,929,924

	8,124,639	12,572,333
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Total	163,122,034	127,118,279
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Prudential Sugar Corporation Limited



	For the year ended 31.03.14 In Rupees	For the year ended 31.03.13 In Rupees
13. REVENUE FROM OPERATIONS		
Sale of products	819,525,643	1,124,162,600
Sale of services	—	—
Other operating revenues		
Scrap sales	—	311,000
<u>Less: Excise duty</u>	<u>37,827,935</u>	<u>44,409,168</u>
Total	<u>781,697,708</u>	<u>1,080,064,432</u>
14. OTHER INCOME		
Interest Income	134,087	183,729
Others	478,611	51,563
Total	<u>612,698</u>	<u>235,292</u>
15. COST OF RAWMATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	—	—
Add: Purchases	693,494,654	835,384,347
Less: Inventory at the end of the year	—	—
Cost of Raw materials and Components Consumed	<u>693,494,654</u>	<u>835,384,347</u>
16. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	4,100,000	4,700,500
Finished Goods	452,154,123	351,901,114
	<u>456,254,123</u>	<u>356,601,614</u>
Inventories at the beginning of the year		
Work in Progress	4,700,500	20,558,800
Finished Goods	351,901,114	376,199,320
	<u>356,601,614</u>	<u>396,758,120</u>
Total	<u>99,652,509.60</u>	<u>(40,156,506)</u>
17. EMPLOYEE BENEFIT EXPENSES		
a. Salaries, Wages and Bonus	50,449,622	45,779,103
b. Contributions to Provident and other funds	2,671,297	2,680,213
c. Gratuity expenses	1,705,438	229,894
c. Staff welfare expenses	1,533,913	1,928,778
Total	<u>56,360,270</u>	<u>50,617,988</u>

Prudential Sugar Corporation Limited



18. FINANCE COST

	For the year ended 31.03.14 In Rupees	For the year ended 31.03.13 In Rupees
Interest expense	24,307,183	26,337,683
Other borrowing costs	—	—
Total	24,307,183	26,337,683

19. DEPRECIATION

Depreciation of Tangible Assets	28,550,132	28,379,136
Total	28,550,132	28,379,136

20. OTHER EXPENSES

Consumption of Stores & Spares	7,574,589	8,145,162
Power & Fuel	7,152,006	7,388,308
Handling charges	2,230,294	2,443,047
Repairs and maintenance		
To Plant & Machinery	19,195,530	21,132,646
To Buildings	880,375	607,274
To Others	1,611,883	2,052,431
Insurance	683,181	665,581
Rates & taxes	428,804	474,255
Legal & Professional Fees	517,563	555,631
Packing Materials	17,359,493	24,041,225
Bank charges	189,971	328,961
Printing & Stationery	296,686	400,795
Telephone & Internet Charges	253,378	339,578
Travelling Expense	1,195,805	1,762,087
Sales commission	725,820	995,340
Business Promotion	36,561	29,000
Rent	180,500	94,183
Miscellaneous Expense	2,444,348	2,617,766
Total	62,956,788	74,073,269
Payment to Auditors		
Audit Fee	175,000	175,000
Tax Audit Fee	25,000	25,000
Total	200,000	200,000



NOTE: 21

SIGNIFICANT ACCOUNTING POLICIES

a. General

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

b. Fixed Assets and Depreciation

1. Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes & incidental expenses and net of Cenvat/Modvat credit, if any.
2. Depreciation has been provided on Fixed Assets under straight line method as per rates prescribed by schedule XIV of the Companies Act, 1956. In case of sugar work rollers, eligible depreciation under schedule XIV is 100% but the depreciation on the same has been considered by the Company at 5.28%.

c. Investments

Investments are stated at cost price.

d. Inventories

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

e. Revenue recognition

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

f. Capital Grants

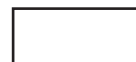
Investment subsidy from State Government towards capital cost has been considered as Capital Reserve.

g. Retirement Benefits

Contribution to Provident Fund is made monthly, at a predetermined rate, to the Commissioner of Provident Fund and debited to the Profit & 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 and exchange rate and exchange differences, if any, are recognized in the Profit & 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

For **Laxminiwas & Jain**

Chartered Accountants

Firm Regn. No. 001859S

Place : Hyderabad
Date : 30/05/2014

Vinod Baid
Chairman

K. Subba Rao
Director

Sandeep Daga
Company Secretary

Smt. Sharada G. Patil
Partner

Membership No. 015332



NOTE 22

NOTES TO ACCOUNTS

a. Contingent Liabilities / Liabilities not provided

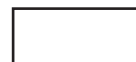
1. Company has entered into a Settlement Agreement with Ashok Leyland Finance Limited for Rs. 28.52 lacs payable in 3 installments. Out of the the said settled amount company has already paid a sum of Rs.20 lacs. The Company has requested further time for payment of balance amount and the same is under 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. 14.93 lacs (PY - Rs.13.87 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. Counter guarantee given by company against Bank Guarantee is Rs.25.00 Lacs (Previous Year Rs. 25.00 lacs).
4. 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.
5. The Company has issued 16% Cumulative Redeemable Preference Shares to promoters in the year 1995-96 redeemable on or before 12.01.2005 which is pending redeemable to the tune of Rs.8 lacs. The Company had also issued 16% Cumulative Redeemable Preference Shares for Rs.400 lacs in the year 1996-97 redeemable on or before 10.02.2006. The Company could not redeem the above shares in time as it was registered with BIFR,if redeemed with accumulative dividend the liability upto 31.03.2014 shall stand to Rs.4801.48 lacs (P.Y.Rs.4082.93 Lacs) on account of Dividend.
6. Disputed claim of interest on delayed payment of Purchase Tax Rs. 362.72 lacs. (P.Y. Rs.362.72 lacs)
7. Disputed claim of penal charges on delayed payment of Provident Fund Rs. 9.87 lacs. (P.Y.Rs.9.87 lacs)

b. IIBI

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

c. Custom Duty on Import of Raw Sugar:	31.03.14	31.03.13
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.



- d. The Company's reference application, based on 2007-08 financials, before BIFR has been dismissed and the Company had preferred an Appeal against the BIFR's Order before the AAIFR. AAIFR was pleased to admit the Company's Appeal which is presently being heard. The Company expects that a verdict will be delivered by the AAIFR after completion of pleadings and arguments and counter-arguments of the parties concerned.
- e. 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.
- f. The Company is in the process to obtain 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.

g. Auditors' remuneration represents	31.03.2014	31.03.2013
	Rupees	Rupees
a. Statutory Audit Fees	1,75,000	1,75,000
b. Tax Audit Fees	25,000	25,000
	<u>2,00,000</u>	<u>2,00,000</u>
h. Tax deducted at sources on interest receipts	<u>13,410</u>	<u>12,573</u>

- i. There are no Micro and Small Enterprises to whom the company owes amounts which are outstanding as at 31st March 2014. 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.

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

k. Earnings per shares (EPS)	2013-14	2012-13
	(Rs.in lacs)	(Rs. In lacs)
Basic and Diluted:		
Profit/(Loss) attributable to equity holders	104.72	167.08
Weighted average number of shares	3,31,27,000	2,82,52,000
EPS - (Rs.)	0.32	0.59

**I. Deferred Tax Assets**

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

Nature of timing difference**Nature of timing difference**

	Deferred Tax Asset/ Liability) as at 01.04.2013 (Rs.in lacs)	(Charge)/Credit for the current year (Rs.in lacs)	Deferred Tax Asset/ (Liability) as at 31.03.2014 (Rs. In lacs)
1. Deferred Tax Asset			
Items covered u/s 43 B	191.93	(1.95)	193.88
Brought forward losses	946.52	123.52	822.99
Sub Total - A	<u>1138.45</u>	<u>121.57</u>	<u>1016.87</u>
2. Deferred Tax Liability			
Depreciation	491.19	66.64	424.55
Sub Total - B	<u>491.19</u>	<u>66.64</u>	<u>424.55</u>
3. NET AMOUNT	647.26	(54.93)	592.32

m. 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.

n. RELATED PARTY DISCLOSURES**I. RELATED PARTIES****A. KEY MANAGERIAL PERSONNEL**

Sri Vinod Baid, Chairman
Sri Ch Krishnamoorthy, Managing Director (till 16.05.2013)

B. Relatives of Key Managerial Personnel

Ms Aruna Ramni Krishna
Ms Kavita C
Ms Sucharita
Ms Sumalatha

C. ENTERPRISES IN WHICH KEY MANAGERIAL PERSONNEL ARE INTERESTED

O.R Distilleries
VAB Ventures Ltd.



II. RELATED PARTY TRANSACTION

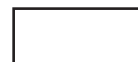
	Key Managerial Personnel	Relatives of key Managerial	Enterprises Personnel
			(Amt in lacs)
Acceptance of Unsecured Loans			
Opening Balance	47.00	65.00	1145.46
Acceptance during the year	Nil	Nil	Nil
Paid during the year	Nil	Nil	1145.46
Closing balance	47.00	65.00	Nil
Advance against sales			88.02
			(Amt in Lacs)
		31.03.14	31.03.13
o. Advance Due from officers (Senior Executives of the Company	0.84		1.84
Maximum Amount due from officers (Senior Executives) of the Company	0.84		1.84

p. Additional Information:

Additional information pursuant to the provision of the paragraph, 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

A. PARTICULARS REGARDING CAPACITY.

Class of Goods	As on 31.03.2014		As on 31.03.2013	
	Unit	Quantity	Unit	Quantity
i. Sugar-Capacity				
a) Licenced	TCD	2500	TCD	2500
b) Installed	TCD	2500	TCD	2500
c) Actual production	QTs.	270750	QTs	341500
ii. Molasses (by product)				
a) Actual production	MTs	14734	MTs	20153



iii. **Sales & Stock**

	Unit	Qty.	2014 Value Rs. in Lacs	Unit	Qty.	2013 Value Rs. in Lacs
a) Sales						
Sugar	QTs	242837	7039.93	QTs	353696	10443.56
Molasses	MTs	17883	885.55	MTs	21948	530.23
Bagasse	MTs	18569	262.94	MTs	21228	260.32
Filter Cake	MTs	3903	6.83	MTs	9378	7.50
			<u>8195.25</u>			<u>11241.61</u>
b) Stock						
Sugar	QTs	139713	4337.24	QTs	110760	3295.27
Molasses	MTs	3788	108.80	MTs	6937	208.11
Bagasse	MTs	250	3.50	MTs	1250	15.63
Sugar-in-Process	QTs	1640	41.00	QTs	1580	47.01
			<u>4562.54</u>			<u>3566.01</u>
iv. Details of Raw Material Consumed						
Sugarcane	MTs	298953	6938.16	MTs	377355	8353.84
			<u>6938.16</u>			<u>8353.84</u>
v. Value of imported and indigenous material consumed						
Raw material		Percentage	Amount		Percentage	Amount
Indigenous		100	6938.16		100	8353.84
Imported		0	—		—	—
			<u>6938.16</u>			<u>8353.84</u>
vi. Value of imported and indigenous chemicals and consumables consumed						
Chemicals & consumables		Percentage	Amount		Percentage	Amount
Indigenous		100	72.72		100	81.45
Imported		—	—		—	—
			<u>72.72</u>			<u>81.45</u>

q. Earnings in foreign currency— Nil

r. Previous year figures are recasted /rearranged wherever necessary.

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

Registration No.	:	32731	State Code	:	01
Balance Sheet Date	:	31.03.2014			

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	:	10233.05	Total Assets	:	10233.05
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Source of Funds

Paid up Capital (Equity)	:	3312.70	Paid up Capital (Preference)	:	408.00
Reserves & Surplus	:	655.79	Secured Loans	:	1434.35
Unsecured Loans	:	120.22	Current Liabilities	:	4592.39

Application of Funds

Net Fixed Assets	:	2175.59	Investments	:	55.28
Net Current Assets	:	7409.86	Misc. Exps.	:	—
Profit and Loss A/c	:	—	Deferred Tax Asset	:	592.32

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

Turnover (including increase/decrease in stock & other income)	:	8819.63	Total Expenditure	:	7662.16
Profit before Tax	:	160.94	Prior period adjustments	:	Nil
Profit after Tax	:	105.99	Earning per Share	:	0.32
Dividend Rate	:	NIL			

5. Generic Names of three Principal Services of Company

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

For and on behalf of the Board

Place : Hyderabad
Date : 30/05/2014**Vinod Baid**
Chairman**K. Subba Rao**
Director**Sandeep Daga**
Company Secretary

PRUDENTIAL SUGAR CORPORATION LIMITED

Regd. Office: "Akash Ganga", 3rd Floor, 8-3-1053, Sri Nagar Colony
Hyderabad - 500 073. Telangana

PROXY FORM

Folio No.....

I/We ofin
.....being a Member(s) of PRUDENTIAL SUGAR CORPORATION LIMITED
hereby appoint..... of or failing
him/her..... ofin the district of
.....as my/our proxy to attend and vote for me/us, on my/our
behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 30th
September, 2014 at 04.00 P.M. at the Registered Office of the Company at "Akash Ganga", 8-3-
1053, Sri Nagar Colony, Hyderabad - 500 073, Telangana and at any adjournment thereof.

Signed this day of Two Thousand Fourteen.

Signature(s) of the Shareholder(s)

Folio No.

No. of Shares

Distinctive Nos.



(Signature of the Member across the Stamp)

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

2. A PROXY NEED NOT BE A MEMBER

PRUDENTIAL SUGAR CORPORATION LIMITED

Regd. Office: "Akash Ganga", 3rd Floor, 8-3-1053, Sri Nagar Colony
Hyderabad - 500 073. Telangana

ATTENDANCE SLIP

Folio No.

Name of the attending Member

Name of the Proxy*.....

*(If Proxy attends instead of member)

I hereby record my presence at the 23rd Annual General Meeting.

Venue : Registered Office: **M/s. PRUDENTIAL SUGAR CORPORATION LIMITED**
"Akash Ganga", 8-3-1053, Sri Nagar Colony, Hyderabad - 500 073, Telangana

Date : Tuesday, 30th September, 2014

Time : 04.00 P.M.

Signature of the Member/Proxy

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

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731

Registered Office: 'Akash Ganga', Plot # 144, Srinagar Colony, Hyderabad-500 073.

Phone: 040-23746451, Fax: 040-67334401

e-mail: investor_relations@prudentialsugar.com; Website : www.prudentialsugar.com

BALLOT FORM

(In lieu of e-voting)

1. Name and Registered Address of the Sole/first named Shareholder :
2. Name(s) of the Joint Shareholder(s), if any :
3. Registered Folio No./DP ID No./Client ID No.* :
(*Applicable to investors holding shares in dematerialized form)
4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 23rd Annual General Meeting of the Company to be held on September 30, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (v) mark at the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Business				
1	Adoption of Financial Statements for the year ended March 31, 2014			
2	Re-appointment of Shri Vinod Baid, Director retiring by rotation			
3	Re-appointment of Shri Kurra Subba Rao, Director retiring by rotation			
4	Appointment of Auditors			
Special Business				
5	Appointment of Shri Y. Ravinder Reddy as an Independent Director of the Company			
6	Appointment of Shri Kishore Jhunjhunwala as an Independent Director of the Company			
7	Appointment of Shri Maheswaran Nair Peramupillai as an Independent Director of the Company			
8	Appointment of Ms. Sadhana Bhansali as an Independent Director of the Company			
9	Appointment of Branch Auditors			
10	Increase in Borrowing powers of the Company			
11	Creation of Charge on Movable and Immovable properties of the Company both present and future			
12	Resolved not to fill for the time being the vacancy caused by the retirement of Shri U.C. Bhandari, Director, who retires by rotation at the AGM and does not seek re-appointment			

Place :

Date :

Signature of Shareholder

Note: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 6.00 on September 25, 2014 shall only be considered.

ELECTRONIC VOTING PARTICULARS

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E-VOTING EVENT NO.)	USER ID	PASSWORD
100912	_____	_____

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to <https://www.evotingindia.com/>

INSTRUCTIONS FOR E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 23rd Annual General Meeting to be held on Tuesday, September 30, 2014 at 04:00 p.m. The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) to provide the E-Voting facility.

The E-Voting facility is available at the link <https://www.evoting.nsdl.com>

The E-voting Event Number and period of e-voting are set out below:

E-voting Event Number (EVEN)	Commencement of e-voting	End of e-voting
100912	September 23, 2014 at 9:00 a.m.	September 25, 2014 at 6:00 p.m.

Please read the instructions provided below before exercising your vote.

These Instructions form an integral part of the notice for the 23rd Annual General meeting to be held on Tuesday, September 30, 2014.

Members are requested to follow the below instructions to cast their vote through e-voting:

1. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
2. Click on Shareholder-Login.
3. If you are already registered with NSDL for E-voting, then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password.
5. If you are logging in for the first time, Password Change Menu appears on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your password confidential.
6. Home page of "e-voting" opens. Click on e-voting > Active Voting Cycles.
7. Select the EVEN (E-Voting Event Number) of Prudential Sugar Corporation Limited i.e. 100912. Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
8. Cast your vote by selecting appropriate option and click "Submit" and also click "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
9. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at rbhattad@gmail.com, with a copy marked to evoting@nsdl.co.in.
10. Once the vote on a resolution is cast by the shareholder he/she shall not be allowed to change it subsequently.
11. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "Downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in.

General Instructions

- i. The e-voting period commences on September 23, 2014 (09:00 a.m. IST) and ends on September 25, 2014 (6:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.08.2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- iii. Mr. Ramesh Kumar Bhattad, Chartered Accountant (Membership No. 200304), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr.B. Ramesh Kumar Bhattad, Chartered Accountant, (Membership No. 200304), at Akash Ganga Plot No. 144 Sri Nagar Colony Hyderabad. 500073 Telangana not later than Thursday, September 25, 2014 (6.00 p.m. IST).
- v. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investor_relations@prudentialsugar.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than September 25, 2014 (6.00 p.m. IST).
- vi. Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid
- vii. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and send a Scrutinizer's Report of the votes cast in favor of or against, if any; forthwith to the Chairman of the Company.
- viii. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.prudentialssugar.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited .

For and on behalf of the Board

Place: Hyderabad
Date: 14.08.2014

VINOD BAID
Chairman

PRINTED MATTER

If undelivered, please return to:



Prudential Sugar Corporation Limited

Regd. Office: Akash Ganga, 3rd Floor, Plot No. 144,
Sri Nagar Colony, Hyderabad - 500 073. TS