



Prudential Sugar Corporation Limited

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

Ref: PSCL/BMN/SE/2020-21/0016

Date: 08/09/2020.

To
The General Manager,
Department of Corporate Services,
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, M Samachar Marg, Fort,
MUMBAI - 400 051.
Script Code - 500342

To
Asst. Vice President
National Stock Exchange of India Ltd.,
G Block, Bandra-Kurla Complex,
Bandra (E),
MUMBAI, Maharashtra - 400001
Scrip Code:PRUDMOULI

To
The Secretary
The Calcutta Stock Exchange Association Ltd.,
7, Lyons Range, Calcutta - 700 001.

Dear Sir/Madam,

Sub: Submission of Annual Report & AGM for the Financial Year Ended March 31, 2020
Ref: Regulation 34 of the SEBI (LODR) Regulations, 2015.

With reference to the subject matter, As per the Regulation 34 of SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submits 29th Annual Report of Prudential Sugar Corporation Limited for the Financial Year ended March 31, 2020, inter alia, Notice of the Annual General Meeting to be held on September 30, 2020, Director's Report, Independent Audit Report of Statutory Auditor, Financial Statements (Standalone and Consolidated), being Balance Sheet, Statement of Profit and Loss account & Cash Flow Statement along with the Notes thereto for the Financial Year ended March 31, 2020 have been sent electronically to the members who have registered their email ID as per the SEBI guideline. The aforesaid documents are available on the Company website i.e., www.prudentialsugar.com and are also available for inspection at the Registered Office of the Company during office hours.

We would also like to inform you that pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the AGM, by electronic means ('remote e-voting'). The Company has engaged the services of R&D Infotech Private Limited as the Authorised Agency to provide e-voting facilities. The details as per the provisions of the Companies Act, 2013 are given in the attached Notice.

This intimation is also upload in the Company website: www.prudentialsugar.com

We request you to take note of the above information on record and acknowledge the receipt of the same.

Thanking you,

Yours Truly,

For Prudential Sugar Corporation Ltd.,


Authorised Signatory

**29th Annual Report
2019-20**



Prudential Sugar Corporation Limited

Prudential Sugar Corporation Limited



BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

STATUTORY AUDITORS

M/s. R. Pugalia & Co.
Chartered Accountants
20E, Lake Road
Kolkata - 700 029.

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

“Akash Ganga”
Plot No.144, 4th Floor
Srinagar Colony, Hyderabad - 500 073.

REMUNERATION AND NOMINATION COMMITTEE

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

EXECUTIVE OFFICERS

Mr. Vinod Baid — *Chairman*
Mr. Anit Surana — *Chief Financial Officer*
Mr. Sandeep Daga — *Company Secretary*

SECRETARIAL AUDITOR

RBM & Associates
Company Secretaries

BANKERS

Bank of Maharashtra
IndusInd Bank
Bank of India
State Bank of India



Notice of 29th Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting of the Members of **PRUDENTIAL SUGAR CORPORATION LIMITED** will be held through Video Conferencing (VC) / Other Audio Visual Means(OAVM) on Wednesday, September 30, 2020 at 12:30 Hrs to transact the following business:

Ordinary Business:

1. Adoption of financial statements

To receive, consider, approve and adopt the Standalone and Consolidated Audited Financial Statements of the company for the Financial Year ended March 31, 2020, together with the Reports of the Directors and Auditors thereon.

2. Re-appointment of Shri Vinod Kumar Baid, as a Director liable to retire by rotation

To appoint a director in place of Shri Vinod Kumar Baid (DIN:00010142), who retires by rotation and, being eligible, seeks reappointment.

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

Place : Hyderabad
Date : 03.09.2020

Sandeep Daga
Company Secretary

NOTES:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 29th Annual General Meeting (the "AGM" or the "Meeting") of Prudential Sugar Corporation Limited (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. In terms of the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the requirement of sending Proxy Forms to holders of Securities as per provisions of Section 105 of the Act, read with Regulation 44 (4) of the Listing Regulations, has been dispensed with. Therefore, the facility to appoint Proxy by the Members will not be available and consequently, the Proxy Form and Attendance Slip are not annexed to this Notice convening the 35th AGM of the Company (The "Notice").

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation in e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned



copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney/ appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at **sweetypoor53@rediffmail.com / sweetypoor2000@gmail.com**, with a copy marked to **evoting@nsdl.co.in**

3. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
4. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
5. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors seeking re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.

6. Dispatch of Annual Report through E-mail

In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice along with the Annual Report of the Company for the financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. R & D Infotech Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the websites of the Company viz., **www.prudentialsugar.com** and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., **www.evoting.nsdl.com**

7. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM or view the live webcast of the AGM provided by NSDL at **https://www.evoting.nsdl.com** by using their remote e-Voting login credentials and selecting the EVEN for the AGM.

Further details in this regard are annexed separately and form part of this Notice.

8. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read together with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has engaged the services of NSDL to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to cast their votes electronically in respect of the businesses to be transacted at the Meeting. **The instructions to cast votes through remote e-Voting and through e-Voting system during the AGM are annexed separately and form part of this Notice.**

The remote e-Voting period will commence on Sunday, September 27, 2020 (09:00 A.M. IST) and will end on Tuesday, September 29, 2020 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Tuesday, September 22, 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.



Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, September 22, 2020** being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date, i.e., Tuesday, September 22, 2020 should treat this Notice for information purpose only.**

The Board of Directors has appointed Ms. Sweety Kapoor, Practicing Company Secretary, as the Scrutinizer to oversee and monitor the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, scrutinize the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of at least two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (**www.prudentialsugar.com**) and on the e-Voting website of NSDL (www.evoting.nsdl.com) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be made available for at least 3 days on the Notice Boards of the Company at its Registered Office in Hyderabad and at the Corporate Office in Hyderabad.

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Wednesday, September 30, 2020.

Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through remote e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at **pscl.secretarial@gmail.com**; or to the RTA at **info@rdinfotech.net**:

- i. Scanned copy of a signed request letter, mentioning the name, folio number/demat account details & number of shares held and complete postal address;
- ii. Self-attested scanned copy of PAN Card; and
- iii. Self-attested scanned copy of any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding.

Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company / the RTA, need not take any further action in this regard.

9. Procedure to raise Questions / seek Clarifications

- a) As the AGM is being conducted through VC or OAVM, the Members are encouraged to express their views / send their queries well in advance for smooth conduct of the AGM but



not later till the Conclusion of the AGM, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers at pscl.secretarial@gmail.com; and only such questions / queries received by the Company till the said date and time shall be considered and responded during the AGM.

- b) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Tuesday, September 22, 2020 (9:00 A.M. IST) to till the conclusion of AGM at pscl.secretarial@gmail.com; from their registered e-mail addresses mentioning their names, folio numbers/demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
- c) Members seeking any information on the financial accounts, operations or any matter to be placed at the AGM, are requested to write to the Company till the Conclusion of AGM through e-mail pscl.secretarial@gmail.com and the same will be suitably replied by the Company.

10. Procedure for inspection of documents

All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at pscl.secretarial@gmail.com from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>

11. Book Closure Period

The Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of the AGM.

- a. those Members whose names appear in the Register of Members of the Company at the end of business hours on Tuesday, September 22, 2020, after giving effect to all valid share transfers in physical mode lodged with the Company/the RTA on or before Tuesday, September 22, 2020.
- b. those 'Beneficial Owners' entitled thereto, in respect of shares held in demat mode, whose names shall appear in the statements of beneficial ownership at the end of business hours on Tuesday, September 22, 2020 as furnished by respective Depositories, viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Members holding shares in the demat mode should update their e-mail addresses and Bank mandates directly with their respective Depository Participants.

Pursuant to the changes introduced by the Finance Act, 2020 in the Income-tax Act, 1961 (the "IT Act"), w.e.f. April 1, 2020, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, the Company shall make the payment of dividend after necessary deduction of tax at source. The withholding tax rates would vary depending on the residential status of every shareholder and the eligible



documents submitted by them and accepted by the Company. Members are hereby requested to refer to the IT Act in this regard. In general, to enable compliance with TDS requirements, Members are requested to update the details like Residential Status, PAN and category as per the IT Act with their Depository Participants or in case shares are held in physical mode, with the Company / RTA

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to info@rdinfotech.net on or before Tuesday, September 22, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them during financial year 2020-21 does not exceed Rs.5,000. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by e-mail to info@rdinfotech.net on or before Tuesday, September 22, 2020.

12. Nomination Facility

Members holding shares under a single name in physical mode are advised to make nomination in respect of their shareholding in the Company. The Nomination Form can be downloaded from the Company's website, i.e., www.prudentialsugar.com from "Investor Information" under "Investor Relations" category. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

13. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents, may be resubmitted for transfer even after April 1, 2019 provided it is submitted alongwith the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.



THE FOLLOWING INSTRUCTIONS SHOULD BE READ IN CONJUNCTION WITH THE NOTICE OF 29th ANNUAL GENERAL MEETING OF PRUDENTIAL SUGAR CORPORATION LIMITED DATED SEPTEMBER 30, 2020:

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 (the “Act”) and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the “Listing Regulations”) read with the General Circulars issued by the Ministry of Corporate Affairs (the “MCA”) bearing Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Company is pleased to facilitate its Members, to transact businesses as mentioned in Notice convening the 29th Annual General Meeting (the “AGM” or the “Meeting”), by voting through electronic means (e-Voting). In this regard, the Company has engaged the services of National Securities Depository Limited (NSDL) as the Agency to provide remote e-Voting facility and eVoting at the AGM.
- II. THE INSTRUCTIONS / PROCEDURE FOR REMOTE E-VOTING ARE AS UNDER: The remote e-Voting period will commence on Sunday, September 27, 2020 (9:00 A.M. IST) and will end on Tuesday, September 29, 2020 (5:00 P.M. IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Also, the e-Voting facility will be made available during the AGM. To vote electronically on NSDL e-Voting system, please follow the steps which are mentioned below:
 - Step 1: Login to NSDL e-Voting system at <https://www.evoting.nsdl.com>
 - Step 2: Cast your vote electronically on NSDL e-Voting system.

DETAILS ON STEP 1 ARE GIVEN BELOW:

To Login to NSDL e-Voting website:

1. Open the web browser by typing the URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a Mobile.
2. Click on icon “Login” available under “Shareholder / Member” section.
3. Enter your User Id, Password and also a verification code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e., IDEAS, you can login at <https://eservices.nsdl.com> with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to Step 2 directly to cast your vote electronically.
4. Your User Id details are given below :



Manner of holding shares, i.e., in Demat Account or in Physical Mode	Your User Id is:
a. For Members who hold shares in Demat Account with NSDL	8 Character DP Id followed by 8 Digit ClientId. For example if your DP Id is IN300*** and Client Id is 12***** then your User Id is IN300***12*****
b. For Members who hold shares in Demat Account with Central Depository Services (India) Limited (CDSL).	16 Digit DP Id and Client Id. For example if your DP Id and Client Id is 12***** then your User Id is 12*****
c. For Members holding shares in Physical Mode.	EVEN followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 114436 then User Id is 114436001***

5. Your Password details are given below:

- a. If you are already registered with NSDL for remote e-Voting then you can use your existing User Id and Password to login and cast your vote.
- b. If your e-mail id is registered in your Demat Account or with the Company, your 'Initial Password' is communicated to you on your e-mail id. Trace the e-mail sent to you from NSDL in your mailbox.
- c. If you are using NSDL e-Voting system for the first time, you are required to retrieve the "Initial Password" which was communicated to you. Once you retrieve your "Initial Password", you need to enter the "Initial Password" and the system will direct you to change your "Initial Password".
- d. Process to retrieve your "Initial Password"
 - (i) Open the e-mail and thereafter open the attached PDF file viz.: "PrudentialSugarCorporationLimited_eVoting.pdf". The Password to open the pdf file is your 8 digit Client Id of NSDL Demat Account or the last 8 digits of Client Id of CDSL Demat Account or Folio Number for shares held in Physical mode. The said PDF file also contains your User Id and "Initial Password" for e-Voting purpose.
 - (ii) If your e-mail Id is not registered, please follow steps mentioned below under "Instructions for Members whose e-mail ids are not registered".

6. If you are unable to retrieve or have not received the "Initial Password" or have forgotten your Password:

- (a) If you are holding shares in your demat account with NSDL or CDSL, click on icon "Forgot User Details / Password?" available on <https://www.evoting.nsdl.com>
- (b) If you are holding shares in physical mode, click on icon "Physical User Reset Password?" available on www.evoting.nsdl.com.



(c) If you are still unable to get the Password by following aforesaid two options, you can send your request at **evoting@nsdl.co.in** mentioning your name, your DP Id and Client Id / Folio Number, your PAN and your registered postal address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. Tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now click on icon “Login”.

9. Home page of e-Voting will open

DETAILS ON STEP 2 ARE GIVEN BELOW:

Process to cast your vote electronically on NSDL e-Voting system

1. Click on e-Voting: “Active Voting Cycles”.

2. Select “EVEN” of Prudential Sugar Corporation Limited.

3. Now you are ready for e-Voting as the voting page opens.

4. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and thereafter click on icon “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you have confirmed after voting on the Resolution, you will not be allowed to modify your vote.

III. THE INSTRUCTIONS / PROCEDURE FOR MEMBERS FOR E-VOTING AT THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members, who will be present in the AGM through VC or OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of AGM shall be the same person mentioned for remote eVoting.

GENERAL GUIDELINES FOR MEMBERS

1. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **sweetykapoor53@rediffmail.com/** **sweetykapoor2000@gmail.com**; with a copy marked to **evoting@nsdl.co.in**



2. It is strongly recommended not to share your Password with any other person and you must take utmost care to keep your Password confidential. Login to e-Voting website will be disabled upon five unsuccessful login attempts with incorrect details. In such an event, you will require to reset the Password by clicking on the icon “Forgot User Details / Password” or “Physical User Reset Password” available on **www.evoting.nsdl.com**
3. In case of any queries, you may refer the “Frequently Asked Questions on e-Voting (For Shareholders).pdf” and “e-Voting Manual - Shareholder.pdf” available at the “Download” section of NSDL e-Voting website, i.e., www.evoting.nsdl.com or call on Toll Free No.: 1800 222 990 or contact Mr. Amit Vishal, Senior Manager/ Ms. Pallavi Mhatre, Manager of NSDL at Telephone Nos.: (022) 24994360 / (022) 24994545 or at e-mail id: evoting@nsdl.co.in or at NSDL, ‘Trade World’, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013. For any further assistance, you may contact Mr. Sandeep Daga, Company Secretary at Telephone No.: (040) 23746451.
4. The helpline number regarding any query / assistance for participation in the AGM through VC or OAVM is 1800 222 990.
5. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date, i.e., Tuesday, September 22, 2020.
6. Any person, who acquires shares in the Company and becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date, i.e., Tuesday, September 22, 2020, may obtain the Login User Id and Password by sending a request at **evoting@nsdl.co.in** or **pscl.secretarial@gmail.com**. However, if you are already registered with NSDL for e-Voting then you can use your existing User Id and Password for casting your votes.
7. A person whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM venue through electronic means, if not participated through remote e-voting.

Instructions for Members whose e-mail ids are not registered:

The process for those members whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the businesses mentioned in the Notice convening the AGM are as follows:

1. In case shares are held in physical mode, please provide Folio Number, Name of Shareholder, Number of Equity Shares held, Scanned copy Share Certificate (both side) alongwith self-attested scanned copy of any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding by e-mail to **pscl.secretarial@gmail.com**;
2. In case shares are held in demat mode, please provide Name, DP Id & Client Id, Client Master or copy of Consolidated Account Statement alongwith self-attested scanned copy of PAN and AADHAAR by e-mail to **pscl.secretarial@gmail.com**;
3. Alternatively Member may send an e-mail request to evoting@nsdl.co.in for obtaining User Id and Password by proving the details mentioned in Point (1) or (2) as the case may be.



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC OR OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC or OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under Shareholder / Member login by using the remote e-Voting credentials. The link for VC or OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed.
2. Members can join the AGM through the VC or OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure, attached separately and forms part of the Notice.
3. Members who do not have the User Id and Password for e-Voting or have forgotten the User Id and Password may retrieve the same by following the remote e-Voting instructions mentioned above to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.
4. Members are encouraged to join the Meeting through Laptops and allow camera for better experience. Members connecting through Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation/bandwidth issues in their respective networks. It is, therefore, recommended to use a good speed internet connection, preferably stable Wi-Fi or LAN Connection, to mitigate any kind of aforesaid glitches and to avoid any disturbance(s) during the AGM.
5. Members who need any assistance before or during the AGM, may contact on the helpline number or other contact details provided above.
6. Members under the category of Institutional Investors are encouraged to attend the AGM and also vote through remote e-Voting or e-Voting during the AGM.

Prudential Sugar Corporation Limited

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

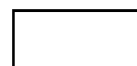
Name of the Director	Vinod Baid
DIN	00010142
Date of Birth	11.02.1960
Age	60 years
Qualification	B.Com., FCA and WIA (USA)
Experience	After practicing as a Chartered Accountant for 5 years he successfully carried on the business of Stock Broking and Merchant Banking. Then he ventured into the Manufacturing Industry and pioneered many Industries under his able leadership. He is having wide knowledge of Industry, Trade, Finance, Legal, Banking, Capital Market, etc.
Relationship with other director/ Manager and other KMP	No relationship
No of Shares held	4,800
Directorships of other Boards	a. Sree Venkateswara Sugar Industries Private Ltd. b. Prudential Ammana Sugars Limited
Membership/Chairmanship of Committees of other Board	NIL

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

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

Place : Hyderabad
Date : 03.09.2020

Sandeep Daga
Company Secretary



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 29th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2020.

Financial Results

The performance for the Financial Year ended March 31, 2020 is as under: **(Rs. in Lakhs)**

	Standalone		Consolidated	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Total Income	250.23	380.00	563.10	668.71
Profit/(Loss) before Interest & Depreciation	98.78	150.27	298.92	350.47
Less: Interest	0.02	0.10	0.02	0.10
Profit/(Loss) after Interest but before Depreciation & Tax	98.76	150.17	298.90	350.37
Less: Depreciation	1.70	2.09	1.70	2.09
Profit/(Loss) before tax	97.06	148.08	297.20	348.28
Provision for Tax:				
- Taxation for earlier years	—	—	—	—
- Current Tax	25.23	38.49	80.91	90.55
- Deferred Tax Assets	—	—	—	—
Profit/(Loss) after Tax and Dividend	71.82	109.59	216.29	257.73
Add: Balance brought from previous year	3413.67	3304.09	3510.62	3252.89
Surplus/(Loss) carried to Balance Sheet	3485.49	3413.67	3726.90	3510.62

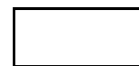
State of the Affairs of the Company

After the transfer of business and assets of the Company to Natems Sugars Private Limited in May, 2017 pursuant to the approval of the shareholders of the Company through postal ballot held during October/November 2014, the Board of Directors of the Company has proposed to embark upon a Bio-organic Jaggery manufacturing project with state-of-the-art technology in Telangana state. The project study is in progress in consultation with experts in this field with regard to technology, process, viability, state incentives etc., and an appropriate decision will be taken based on the study report.

Share Capital:

Authorized Share Capital

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2020 was Rs.75,00,00,000, comprising of 5,00,00,000 equity shares of Rs.10 each and 50,00,000 No of 16% Cum Redeemable Preference shares of Rs.50.



Paid-up Share Capital

During the Financial Year 2019-20, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2020 was Rs.37,20,70,000, comprising of the following:

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

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

(Converted from 2586400 Equity to preference Shares of Rs.40 each)

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

(Rs.10 converted into Equity)

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

Buy Back of Securities

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

Sweat Equity

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

Bonus Shares

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

Employees Stock Option

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

Dividend

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

Transfers to Reserves

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

Fixed Deposits

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

Listing of Equity Shares

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

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001; However the listing of the Company's shares on the Exchange is under suspension as on 31.03.2020.

The Company is pursuing with BSE for revocation of suspension as early as possible.

NSE Ltd, Exchange Plaza, G Block, Bandra Kurla Complex, Bandra, Mumbai - 400 051.



Subsidiaries, Associates and Joint venture

During the financial year 2017-18, your company had acquired the Equity Shares in Prudential Ammana Sugars Limited, which has become subsidiary of the Company.

Statement containing salient features of the financial statement of the above mentioned subsidiary has been given in Form AOC-1 in the **Annexure-VII** to this report.

Your Company does not have any Joint Ventures or Associate Companies.

Number of Meetings of the Board of Directors

The Board of Directors duly met 5 times during the financial year from April 1, 2019 to March 31, 2020, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard -1.

Independent Directors' Meeting

The Independent Directors met on February 14, 2020, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

INDIAN ACCOUNTING STANDARDS (IND-AS)

Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as notified by the Ministry of Corporate Affairs on February 16, 2015. Accordingly, your Company has prepared financial results on standalone basis as per Ind-AS, the formats for Unaudited/Audited quarterly financial results i.e. Statement of Profit and Loss and the Unaudited/Audited Half-Yearly Balance Sheet are to be submitted to the stock exchanges, shall be as per the formats for revised Balance Sheet and Statement of Profit and Loss as prescribed in Schedule III to the Companies Act, 2013.

Extract of Annual Return

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at <http://www.prudentialsugar.com/shareholders information>.

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

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

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and Statement of Profit and Loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting



records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2020 on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Management Discussion and Analysis

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

Corporate Social Responsibility (CSR) Initiatives:

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

Audit Committee

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

Nomination and Remuneration Committee

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

- * Brief description of terms of reference:
- * Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- * carry on the evaluation of every director's performance;
- * formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- * recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;



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

Nomination and Remuneration policy

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

Particulars of Loans, Guarantees or Investments under Section 186

The company has not given any Loans, Guarantees, and made Investments during the Financial Year ended on March 31, 2020 in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

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

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

There were no materially significant transactions with Related Parties during the financial year 2019-20 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 are given as **Annexure - I** to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

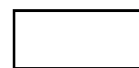
During the year under review there are no contracts / arrangements / transactions entered by the Company during the financial year with related parties and do not attract the provisions of Section 188 of the Companies Act, 2013.

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

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

Mechanism for Evaluation of Board

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



A. Criteria for evaluation of Board of Directors as a whole

- i. The frequency of meetings;
- ii. The length of meetings;
- iii. The administration of meeting;
- iv. The number of committees and their roles;
- v. The flow of information to board members and between board members;
- vi. The quality and quantity of information; and
- vii. The Disclosure of Information to the stakeholders.

B. Criteria for evaluation of the Individual Directors

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

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

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

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

Deposits

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

Statutory Auditors

M/s. R Pugalia & Co., Chartered Accountants, (Firm Registration No.318188S) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 26th AGM until the conclusion of the 31st AGM to be held in the year 2022. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on March 31, 2018.



Qualification by Statutory Auditors

There are no Qualification/Reservation or Adverse remarks contained in Independent Auditors Report under Paras: Basis for Qualified opinion:

- A. Since all the shares of the Company were converted into equity Share the Company did not redeem the 16% Redeemable Cumulative Preference Shares and did not provide for arrears of dividend thereon.
- B. In view of very limited strength of employees, presently working with the Company, the requirements of AS-15 Employee Benefits in respect of gratuity could not be complied with. However, provision for gratuity as required under Payment of Gratuity Act has been provided for.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. RBM & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2019-20.

Cost Auditors

The appointment of Cost Auditors for the year ended March 31, 2020 was not mandated since the Company has not been engaged in manufacturing operations.

Internal Auditors

The Board of Directors of the Company has opined that it was not required to assign the function of Internal Audit to an independent firm of Chartered Accountants to carry out Internal Auditing of books of accounts in pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, in view of the fact that there were no commercial/operational transactions during the year.

Internal financial control and its adequacy

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

Corporate Governance

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

Vigil Mechanism

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



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

Secretarial Auditor Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s.RBM & Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the company for the Financial year ended on March 31, 2019.

Secretarial Audit Report issued by RBM & Associates, Company Secretaries in form MR-3 is enclosed as **Annexure – III** to this Annual Report.

Statement of particulars of appointment and remuneration of managerial personnel

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

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

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

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

Change in the nature of business

Pursuant to the sale of the business and assets of the Company, the Board of Directors of the Company is exploring opportunities in diversified areas of business like, putting up a modern Bio-organic Jaggery manufacturing plant in the state of Telangana. Besides, the Company is also planning to venture in to import/export of raw-sugar and white sugar depending upon the opportunities and public policies of the Government from time to time.

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

As disclosed in the Directors' Report in the Balance Sheet for the previous Financial Year ended March 31, 2019, a few legal cases which were filed by Mr. Ch. Krishna Murthy against the Company and by the Company against him, though not significant and would in any manner impact the going concern status of the Company and the Company's operations in future, are pending at various stages before the respective Courts/Tribunals.



The details of the cases filed:

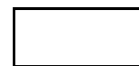
S.No.	Case No.	Status of case
-------	----------	----------------

i. against the Company

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

ii. by the Company

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



Material changes and commitments affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company during the year.

Policy on Sexual Harassment

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

During the financial year ended March 31, 2020, the Company has not received any Complaints pertaining to Sexual Harassment.

Policies

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

i. Whistleblower Policy (Policy on vigil mechanism)

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2019-20..

ii. Policy for Determining Materiality for Disclosures

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

iii. Policy on Document Retention

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

Human Resources

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

Acknowledgement

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

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

Place : Hyderabad
Date : 03.09.2020

K. Subba Rao
Whole Time Director
(DIN 02552019)

Y. Ravinder Reddy
Director
(DIN 00011040)



ANNEXURE - I

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013,
and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements or transactions with related parties during the financial year 2019-20 which were at arm's length.

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

Place : Hyderabad
Date : 03.09.2020

K. Subba Rao
Whole Time Director
(DIN 02552019)

Y. Ravinder Reddy
Director
(DIN 00011040)



ANNEXURE - II

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

(Rs. in Thousands)

Particulars	March 31, 2020
Used	NIL
Earned	NIL

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

Place : Hyderabad
Date : 03.09.2020

K. Subba Rao
Whole Time Director
(DIN 02552019)

Y. Ravinder Reddy
Director
(DIN 00011040)



ANNEXURE – III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prudential Sugar Corporation Limited
CIN: L15432TG1990PLC032731
“Akash Ganga”
Plot No.144, 4th Floor,
Srinagar Colony, Hyderabad - 500 073

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRUDENTIAL SUGAR CORPORATION LIMITED**[CIN:L15432TG1990PLC032731] (hereinafter called ‘the Company’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of **PRUDENTIAL SUGAR CORPORATION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The Sick Industrial Companies Act, 1985
- 5) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016;



We further report that the provisions of the following regulations/guidelines/standards were not applicable to the Company for the Financial Year ended 31.03.2020:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c. SEBI (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Financial Year under review)

We further report that the provisions of the following regulations/guidelines/standards were not applicable to the Company for the Financial Year ended 31.03.2020:

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

- I. Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India and which became effective from 01.07.2015
- II. The Listing Agreements entered by the Company with The Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

We further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- d. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Management Responsibility

1. Maintenance of secretarial records is the responsibility of the Management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit
2. We have followed the Audit practice and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practice, we followed & provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company or verified the compliance of Laws other than those mentioned above.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations,

Prudential Sugar Corporation Limited



standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

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

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

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

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

This Report is to be read with our letter of even date which is annexed as Annexure A forming integral part of this report.

For **RBM & Associates**
Company Secretaries

Radhaballav Mandal
M.No.F8182

Date : Hyderabad
Place: 03.09.2020

Prudential Sugar Corporation Limited



“ANNEXURE - A”

(TO THE SECRETARIAL AUDIT REPORT OF M/S PRUDENTIAL SUGAR CORPORATION LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020)

To,
The Members,
Prudential Sugar Corporation Limited
CIN: L15432TG1990PLC032731
“Akash Ganga”
Plot No.144, 4th Floor,
Srinagar Colony, Hyderabad - 500 073

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

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

For **RBM & Associates**
Company Secretaries

Date : Hyderabad
Place: 03.09.2020

Radhallav Mandal
M.No.F8182



ANNEXURE – IV

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

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: 2019-20 : NA*

* The Company does not have any employees on rolls except Directors and KMPs

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, and Company Secretary in the financial year 2019-20

S.No.	Name of the Director	Percentage increase in remuneration
1	Mr. K. Subba Rao, Whole Time Director	NIL
2	Mr. Vinod Baid, Director	NIL
3	Mr. Y. Ravinder Reddy	NA
4	Mr. Kishore Jhunjunwala	NA
5	Ms. Sadhana Bhansali	NA
6	Mr. Anit Kumar Surana, CFO	31.9
7	Mr. Sandeep Kumar Daga, Company Secretary	NIL

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

** There was no increase in Remuneration paid to Whole Time Director, Chief Financial Officer, and Company Secretary during the Financial Year ended March 31, 2020.

- iii. The percentage increase in the median remuneration of employees in the financial year: **NA**

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

There are 2 permanent employees on the rolls of the Company as on March 31, 2020.

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

Prudential Sugar Corporation Limited



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

S. No.	Name & Designation	Remuneration Received	Nature of Employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held before joining the company	% of Equity Shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. K. Subba Rao Whole Time Director	—	Contractual	B.Tech. (Mech.), BOE 39 years	17.05.1995	69 years	Nizam Sugars Ltd.	Nil	None
2	Mr. Anit Kumar Surana Chief Financial Officer	Rs.520,800	Permanent	B.Com., 18 years	01.09.2017	47 years	Falma Lab	Nil	None
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.1,200,000	Permanent	B.Com., ACS 24 years	20.04.2013	47 years	Prudential Management and Advisors Ltd.	Nil	None

On behalf of the Board of Directors

for Prudential Sugar Corporation Limited

K. Subba Rao

Whole Time Director
(DIN 02552019)

Y. Ravinder Reddy

Director
(DIN 00011040)

Place : Hyderabad

Date : 03.09.2020



ANNEXURE – V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2019-20

The Company since its inception had been engaged, in the business of manufacture of sugar and allied products at its manufacturing facility of 2500 TCD situated at Prudential Nagar, PO Koppedu, Nindra Mandal, Dist: Chitttoor, AP - 517 587.

However, the Company for reasons elaborately discussed in the Explanatory Statement to the Notice of Postal Ballot dated 26.08.2014 hived off its sugar business to Natems Sugar Private Limited and since then, the Company has been out of sugar manufacturing business. The Company is now enthusiastically planning to venture into new areas of business, primarily, manufacture of Agri based products by establishing a new manufacturing facility and/or acquiring or taking over an existing facility. Simultaneously, the Company has also been exploring potential opportunities for joint ventures with prospective and experienced industrialists and entrepreneurs in other profitable business segments. Also, the Company is engaged itself in carrying out due diligence for a few such proposals on hand so as to ascertain and determine the viability of the entire business proposition.

The Company with its experienced and eminent Board of Directors, hopes to zero in on some or other project related to Agri, pharmaceuticals/bulk drugs business etc., to make profitable use of its financial health.

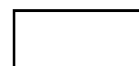
The Company firmly believes that Human Resources are the most important organ of an organization and need to be used effectively and as success, and stability and growth of the organisation depends on its ability in best nurturing and developing such Human Resources. As your Company goes forward with enriching its Human Resources and pursuing new goals, we are confident to succeed in identifying and venturing into a profitable business in the ensuing Financial Year.

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

Place : Hyderabad
Date : 03.09.2020

K. Subba Rao
Whole Time Director
(DIN 02552019)

Y. Ravinder Reddy
Director
(DIN 00011040)



ANNEXURE - VI

REPORT ON CORPORATE GOVERNANCE

In India, the Securities and Exchange Board of India (SEBI) regulates Corporate Governance for Listed Companies through SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Company's compliance with the requirements of Corporate Governance is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

2. BOARD OF DIRECTORS :

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As at March 31, 2020, the Board of Directors ("Board") comprises of Five Directors, of which 1 is Executive, 1 is Non-Executive Director, and remaining 3 (Three) are independent directors. The Chairman of the Board is Non Executive Director (promoter).

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

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

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

Prudential Sugar Corporation Limited



The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on March 31, 2020 are given below:

Name of the Director	No. of other Directorships*	In other Public Companies**	
		Membership	Chairmanship
Mr. Vinod Baid	2	NIL	NIL
Mr. Kurra Subba Rao	1	1	NIL
Mr. Y. Ravinder Reddy	3	1	2
Ms. Sadhana Bhansali	2	2	NIL
Mr. Kishore Jhunjunwala	7	NIL	NIL

Notes:

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

b) Board Procedure:

During the year under review Board met Five times on 30.05.2019, 14.08.2019, 26.08.2019, 14.11.2019 and 14.02.2020. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

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

Name of the Director	Number of Board Meetings		Attendance at AGM held on Sept 30, 2019
	Held	Attended	
Mr. Vinod Kumar Baid	5	5	Yes
Mr. Kurra Subba Rao	5	5	Yes
Mr. Y. Ravinder Reddy	5	5	Yes
Ms. Sadhana Bhansali	5	2	No
Mr. Kishore Jhunjunwala	5	3	No

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



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

Independent Directors meeting

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

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

3. COMMITTEES OF THE BOARD:

The Company currently has the following Committees of the Board:

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

a. Audit Committee

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

As on 31st March 2020 the committee comprised of three independent directors and one executive director, all of whom are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitee to the meetings of the committee. The other



directors are invited to attend the audit committee meetings as and when required. The composition of the audit committee is as per and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on September 30, 2019.

* Audit Committee meetings :

- Four Audit Committee Meetings were held during the year ended March 31, 2020. The maximum time gap between any of the two meetings was not more than four months.
- The Audit Committee meetings were held on May 30, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

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

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

b. Nomination and Remuneration Committee

* Composition:

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

* Composition of the Committee is given below:

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

* Brief description of terms of reference

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



- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
 - recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
 - formulation of criteria for evaluation of Independent Directors and the Board;
 - devising a policy on Board diversity; and
 - any other matter as the Board may decide from time to time.
- * Nomination and Remuneration Committee meetings
- During the period from April 1, 2019 to March 31, 2020, Nomination and Remuneration Committee Meetings were held on May 30, 2019, August 14, 2019, November 14, 2019 and February 14, 2020

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

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

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

Following are the details of sitting fees paid to the Directors for attending Board and Committee Meetings for the year ended March 31, 2020.

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

Prudential Sugar Corporation Limited



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

Name of the Director and Designation	Salary Rs.	Benefits Rs.	Bonuses Rs.	Pension Rs.	Commission Rs.	Service Contracts	Notice Period	Total Rs.
K. Subba Rao	—	—	—	-	-	-	As per the Rules of the Company	—

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

* Shares held by Non-Executive Directors

The number of equity shares of the Company held by Non-Executive Directors, as on March 31, 2020 are as follows:

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

c. Stake Holders Relationship, Grievance and Share Transfer Committee

* Composition

The Committee consists of the following Directors:

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

Stakeholders Relationship Committee meetings during the year were held on May 30, 2019, August 14, 2019, November 14, 2019 and February 14, 2020.

* Terms of Reference

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

* Name and designation of Compliance Officer:

Mr. Sandeep Kumar Daga, Company Secretary & Compliance Officer

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



* Number of Shareholders complaints received so far.:

- During the year ended March 31, 2020 the Company has received no complaints
- Number of complaints not resolved to the satisfaction of shareholders is Nil.

Attendance of each Director at Stakeholders' Relationship Committee Meeting

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

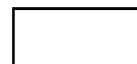
SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies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

4. GENERAL BODY MEETINGS:

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

Financial Year ended	Date	Time	Venue
31.03.2019	30.09.2019	12.30 PM	at its Registered Office at "Akash Ganga", Plot No. 144 4th Floor, Srinagar Colony Hyderabad - 500 073
31.03.2018	30.03.2019	11.30 AM	at its Registered Office at "Akash Ganga", Plot No. 144 4th Floor, Srinagar Colony Hyderabad - 500 073
31.03.2017	31.03.2018	11.30 AM	HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094

- Special Resolutions passed during the previous three Annual General Meetings:
 - i. 28th Annual General Meeting - September 30, 2019 -4
 - ii. 27th Annual General Meeting - March 30, 2019 - Nil -
 - iii. 26th Annual General Meeting – March 31, 2018 - Nil-



5. DISCLOSURES:

a. Related party transactions

During the year ended March 31, 2020, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

b. Details of non-compliance, etc.,

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

There were non compliances due to suspension of trading by stock exchanges and removal of name from the listing portal.

c. Disclosure of Accounting Treatment:

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

d. Whistle Blower policy

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

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

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

The chairman of the Audit Committee had not received any complaint during the Financial Year ended March 31, 2020.

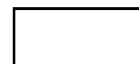
e. Board Disclosures - Risk Management

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

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

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

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



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

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

f. Code of Conduct

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

g. CEO and CFO Certification

The Whole Time Director and the CFO have furnished a Certificate to the Board for the year ended 31.03.2020 as required by SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, and is separately annexed.

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

During the year ended March 31, 2020, there were no proceeds from public issues, rights issues, preferential issues, etc.

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

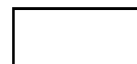
The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year 2019-20. Separate persons to the post of Chairman and Executive Director and Reporting of Internal Auditors to the Audit Committee have been adopted from non-mandatory requirements.

j. Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on March 31, 2020 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 1,86,35,389 equity shares representing 52.12% of the paid up equity capital have been dematerialized as on March 31, 2020.

k. Details about familiarization of programme.

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



Remuneration, Policy on material events as per Listing Regulation, Whistle blower policy, and Risk Management Policy.

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

Website: www.prudentialsugar.com Investor Relations

j. Related Party Transactions policy.

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

The policy is placed on the website of the company www.prudentialsugar.com

6. MEANS OF COMMUNICATION

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

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

- c. Management Discussion and Analysis (MDA) Report

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

7. GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting : 29th Annual General Meeting
 - Date : 30.09.2020
 - Time : 12:30 p.m.
 - AGM to be held : through Video Conferencing (VC) / Other Audio Visual Means(OAVM)
- b. Dates of Book Closures : September 23, 2020 to September 30, 2020 (both days inclusive)
- c. Dividend Payment Date : -NIL-

Prudential Sugar Corporation Limited



d. Listing on Stock Exchange: Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai - 400 001.	500342
NSE Limited Exchange Plaza, G-Block, Bandra-Kurla Complex, Bandra, Mumbai - 400 051	PRUDMOULI

The listing fee for the year 2019-20 has not been paid to the above stock exchanges.

e. Market Price Data: High and low during each month from April 1, 2019 to March 31, 2020. :
Not Applicable since the company under suspension of trading.

f. Registrar & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)

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

g. Share transfer System and Dematerialization of Shares:

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

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

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

h. Distribution of Share holding

Table - I (Distribution of holdings)

Share holding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10351	89.31	2081250	5.82
5,001 —	10,000	545	4.70	461895	1.29
10,001 —	20,000	314	2.71	483929	1.35
20,001 —	30,000	79	0.68	200816	0.56
30,001 —	40,000	81	0.70	308750	0.86
40,001 —	50,000	35	0.30	168399	0.47
50,001 —	1,00,000	87	0.75	695046	1.94
1,00,001	and above	98	0.85	31351915	87.69
Grand Total		11590	100.00	35752000	100.00

**i. Shareholding Pattern**

Category	No. of shares held	Percentage of shareholding
1 Promoters/Directors/ Associates	21102599	59.02
2 Mutual Funds and UTI	341500	0.96
3 Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	12900	0.04
4 FII's	—	—
5 Private Corporate Bodies	7276364	20.35
6 Indian Public	7018637	19.63
7 NRIs / OCBs	—	—
8 Others	—	—
Total	35752000	100.00

j. Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 18635389 equity shares were dematerialized representing 52.12% of the total paid up equity share capital of the Company as on March 31, 2020.

ISIN: INE024D01016

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

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

l. Address for Correspondence:

"AKASH GANGA"
Plot No. 144, 4th Floor
Srinagar Colony,
Hyderabad - 500 073
040-23746451 & Fax No. 040-66822871
E-mail: pscl.secretarial@gmail.com
Website: www.prudentialsugar.com

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

Place : Hyderabad
Date : 03.09.2020

K. Subba Rao
Whole Time Director
(DIN 02552019)

Y. Ravinder Reddy
Director
(DIN 00011040)



ANNEXURE - VII

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries (Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Prudential Ammana Sugars Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
4.	Share capital	51,000,000
5.	Reserves & surplus	124,177,401
6.	Total assets	729,718,849
7.	Total Liabilities	729,718,849
8.	Investments	Nil
9.	Turnover	49,253,927
10.	Profit / (Loss) before taxation	20,014,669
11.	Provision for taxation	5,563,980
12.	Profit / (Loss) after taxation	14,450,761
13.	Proposed Dividend	Nil
14.	Extent of shareholding (In percentage)	99.99%

1. Names of subsidiaries which are yet to commence operations - Nil
2. Names of subsidiaries which have been liquidated or sold during the year - Nil

Part "B": Associates and Joint Ventures: Nil

1. Names of associates or joint ventures which are yet to commence operations. – Nil.
2. Names of associates or joint venture

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2020.

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

K. Subba Rao

Whole Time Director
(DIN 02552019)

Place : Hyderabad
Date : 03.09.2020



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PRUDENTIAL SUGAR CORPORATION LIMITED

We have examined all the relevant records of Prudential Sugar Corporation Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2020. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Place : Hyderabad
Date : 03.09.2020

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

CEO AND CFO CERTIFICATE

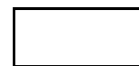
We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are no:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place : Hyderabad
Date : 03.09.2020

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

Anit Surana
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

To

The Members of **Prudential Sugar Corporation Ltd**

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Prudential Sugar Corporation Ltd** (“the Company”), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



Based on the work we have performed, we conclude that we have nothing to report that there is a material misstatement of this other information

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to 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 principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in Annexure A

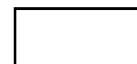


- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules 2014 , in our opinion and the to the best of our information and according to the explanations given to us we report that:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
 - ii. The Company is not required to transfer, to the Investor Education and Protection Fund by the Company.
 - iii. As per the Directives of the XXV Additional Chief Justice City Civil Court Hyderabad the Company has deposited a sum of Rs 25,00,00,000 with them as security against till the settlement of a case filed by a Shareholder against the company opposing the sale of Fixed Assets..
 - iv. 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 and same to be ascertained later.
 - v. The Company has not accounted for the provisions for retirement benefits..
 - vi. Non Current Assets and Non Current Liabilities during the year have shown a quantum increase during the year and we are unable to comment upon their actual realisation or payment.
 - vii. The Company has given Loans to its Subsidiary M/s Prudential Ammana Sugar Ltd , outstanding balance as on 31.03.2020 is Rs. 53,62,71,817.00 (P.Y. Rs. 51,13,82,600.00).
2. As required by the companies (Auditor's Report) Order 2016 (the Order) issued by the Central Government in terms of Section 143(1) of the Act, we give in Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Hyderabad
Date : 14.08.2020

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972



Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of **Prudential Sugar Corporation Ltd** of even date)

We have audited the internal financial controls over financial reporting of **Prudential Sugar Corporation Ltd** (“the Company”) as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance



that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Hyderabad
Date : 14.08.2020

For **R Pugalia & Company**
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of **Prudential Sugar Corporation Limited** of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii. Not Applicable
- iii. The Company has granted loans its Subsidiary M/s Prudential Ammana Sugars Ltd. covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’) aggregating Rs. 53,62,71,817 (P.Y. Rs. 51,13,82,600.00)
 - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. there is no overdue amount in respect of loans granted to such Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax,



cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable subject to the details mentioned hereunder:

Income Tax Claim of Rs. 70.76 Lacs for A.Y 2013-14 against which appeal is pending with Appellate Authority . The company has paid Rs. 10.62 Lacs against above claim.

Income Tax Demand of Rs. 209541723.00 has been disputed by the Company for the A.Y 2017-18 and an appeal is pending in ITBA/AST/S/143(3)/2020-2011022926340

Sales Tax claim of Rs. 22.80 Lacs (P.Y. 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 receivable in the books of accounts

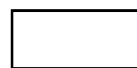
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Hyderabad
Date : 14.08.2020

Prudential Sugar Corporation Limited



CIN: L15432TG1990PLC032731

STANDALONE

BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Notes	As at 31.03.2020 In Rupees	As at 31.03.2019 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	1	372,070,000	372,070,000
Reserves and surplus	2	<u>415,049,061</u>	<u>407,867,175</u>
		<u>787,119,061</u>	<u>779,937,175</u>
2. Non-current liabilities			
Long-term borrowings	3	1,127,000	1,127,000
Other Long term liabilities	4	35,780,054	35,841,054
Long-term provisions	5	—	—
		<u>36,907,054</u>	<u>36,968,054</u>
3. Current liabilities			
Short-term borrowings	6	—	—
Trade payables	7	—	—
Other current liabilities	8	3,172,837	2,045,302
Provisions	9	<u>6,373,361</u>	<u>3,849,996</u>
		<u>9,546,198</u>	<u>5,895,298</u>
TOTAL (of 1,2,3)		<u>833,572,313</u>	<u>822,800,526</u>
II. ASSETS			
Non-current assets			
1. Fixed assets			
10			
Tangible assets			
Gross Block		2,400,000	2,400,000
Less: Depreciation		<u>379,283</u>	<u>209,141</u>
Net Block		<u>2,020,717</u>	<u>2,190,859</u>
Intangible assets			
Capital work-in-progress		—	—
Non-current investments	11	31,527,305	31,527,305
Other Non-current assets	12	80,171,036	87,747,080
Deferred tax assets (net)		<u>152,594,001</u>	<u>152,594,001</u>
		<u>266,313,059</u>	<u>274,059,245</u>
2. Current assets			
Inventories	13	—	—
Trade receivables	14	—	—
Cash and cash equivalents	15	154,967	2,612,663
Short-term loans and advances	16	<u>567,104,288</u>	<u>546,128,618</u>
		<u>567,259,255</u>	<u>548,741,281</u>
TOTAL (of 1,2)		<u>833,572,313</u>	<u>822,800,526</u>
III. SIGNIFICANT ACCOUNTING POLICIES			
25			
NOTES TO ACCOUNTS			
26			

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
	K. Subba Rao	For R Pugalia & Company
	Whole Time Director	Chartered Accountants
	DIN:02552019	Firm Regn. No. 318188E
	Y. Ravinder Reddy	Rajeev Kumar Pugalia
	Director	Proprietor
	DIN: 00011040	Membership No. 053972
Place : Hyderabad	Anit Surana	
Date : 14.08.2020	Chief Financial Officer	

Prudential Sugar Corporation Limited



CIN: L15432TG1990PLC032731

STANDALONE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Notes	Year ended 31.03.2020 In Rupees	Year ended 31.03.2019 In Rupees
I. Income			
Revenue from operations	17	—	—
Less: Excise Duty		—	—
		—	—
Other income	18	25,023,433	38,000,107
Total Revenue (I)		<u>25,023,433</u>	<u>38,000,107</u>
II. Expenses:			
Cost of materials consumed	19	—	—
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	20	—	—
Employee benefits expense	21	5,966,403	6,986,850
Finance costs	22	2,193	10,581
Depreciation and amortization expense	23	170,142	209,141
Other expenses	24	9,179,443	15,985,860
Total Expenses (II)		<u>15,318,181</u>	<u>23,192,432</u>
Profit before Exceptional, Extraordinary items & Taxation		9,705,252	14,807,675
Add: Exceptional Items		—	—
Tax of Earlier Years		—	—
Tax Current Year		2,523,365	3,849,996
Less: Deferred Tax Assets		—	—
Profit / (Loss) for the year from continuing operations		<u>7,181,886</u>	<u>10,957,679</u>
Earnings per equity share:			
Basic		0.22	0.33
Diluted		0.22	0.33
III. SIGNIFICANT ACCOUNTING POLICIES	25		
NOTES TO ACCOUNTS	26		

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

	For and on behalf of the Board	As per our report of even date
	K. Subba Rao	Y. Ravinder Reddy
	Whole Time Director	Director
	DIN:02552019	DIN: 00011040
Place : Hyderabad	Anit Surana	Rajeev Kumar Pugalia
Date : 14.08.2020	Chief Financial Officer	Proprietor
		Membership No. 053972

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731

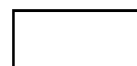
STANDALONE**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

	31.03.2020	31.03.2019
	<i>(Rs. in lakhs)</i>	<i>(Rs. in lakhs)</i>
<u>Cash flow from Operating activities</u>		
Net Profit before Tax and Extraordinary items	71.82	109.58
Adjustments for :		
Depreciation	1.70	2.09
Interest paid	0.02	0.11
Other Income	<u>(250.23)</u>	<u>(380.00)</u>
Operating Profit before working capital changes	<u>(176.69)</u>	<u>(268.22)</u>
Adjustments for:		
Increase/(Decrease) in Trade Payables	—	—
(Increase)/Decrease in Inventories	—	—
(Increase)/Decrease in Trade Receivables	—	—
Increase/(Decrease) in Current Liabilities	36.51	(2,619.77)
Increase/(Decrease) in Non-Current Liabilities	(0.61)	358.41
(Increase)/Decrease in Current Assets	<u>(209.76)</u>	<u>2,947.57</u>
Cash generation from operation	<u>(350.55)</u>	<u>417.98</u>
<u>Cash flow from Investing Activities</u>		
(Purchase)/Sale of Fixed Assets	—	(24.00)
Capital Work in Progress	—	—
Other Income	<u>250.23</u>	<u>380.00</u>
Net Cash Flow from Investing Activities	<u>250.23</u>	<u>356.00</u>
<u>Cash flow from Financing activities</u>		
Payment of Short Term Borrowings	—	—
Long Term Loans & Advances Given	75.76	(877.47)
Interest paid	(0.02)	(0.11)
Sale of Investments	—	—
Net Cash flow from Financing Activities	<u>75.74</u>	<u>(877.58)</u>
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(24.58)	(103.60)
Add: Opening Cash and Bank balance	26.13	129.73
Cash and Bank balance at the end of period	1.55	26.13

	For and on behalf of the Board	As per our report of even date
	K. Subba Rao	Y. Ravinder Reddy
	Whole Time Director	Director
	DIN:02552019	DIN: 00011040
Place : Hyderabad	Anit Surana	Rajeev Kumar Pugalia
Date : 14.08.2020	Chief Financial Officer	Proprietor
		Membership No. 053972

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



STANDALONE

As at 31.03.2020 **As at 31.03.2019**
In Rupees **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	<u>250,000,000</u>	<u>250,000,000</u>
	<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)	<u>50,000,000</u>	<u>50,000,000</u>
	<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
65,000,00 Equity shares of Rs.10 each	<u>65,000,000</u>	<u>65,000,000</u>
	<u>323,320,000</u>	<u>323,320,000</u>

Subscribed but not fully Paid up

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

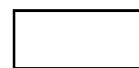
1.1. The Opening and Closing balance of the Subscribed and Paid-up equity shares of the company are same, hence, the reconciliation between opening number and closing number of shares does not arise.

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

S. Name of Shareholder No.	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Vab Ventures Limited	10,477,599	29.31	10,477,599	29.31
2. Premier Fiscal Services Pvt. Ltd.	3,400,500	9.51	3,400,500	9.51
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

CIN: L15432TG1990PLC032731

**STANDALONE**As at 31.03.2020
In RupeesAs at 31.03.2019
In Rupees**2. RESERVES AND SURPLUS****A. Capital Reserves**

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

B. Securities Premium Account

Premium @ Rs.10/- on 65,00,000 Equity Shares	65,000,000	65,000,000
--	------------	------------

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

Opening balance	341,367,175	330,409,496
(+) Net Profit/(Net Loss) For the current year	<u>7,181,886</u>	<u>10,957,679</u>
Closing Balance	<u>348,549,061</u>	<u>406,367,175</u>
Total	<u>415,049,061</u>	<u>407,867,175</u>

3. LONG TERM BORROWINGS**a. Term loans**

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

Notes

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

4. OTHER LONG TERM LIABILITIES

Advances

From Related Parties	24,540,054	24,540,054
From Others	11,200,000	11,200,000
Audit Fee Payable	40,000	101,000
Total	<u>35,780,054</u>	<u>35,841,054</u>

5. PROVISIONS (Long Term)**a. Provision for employee benefits**

Superannuation (unfunded)	—	—
Total	<u>—</u>	<u>—</u>

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



As at 31.03.2020
In Rupees

STANDALONE
As at 31.03.2019
In Rupees

6. SHORT TERM BORROWINGS

a. Loans and advances

From Others	—	—
From Corporate	—	—
Total	—	—

7. TRADE PAYABLES

Trade Payables	—	—
Total	—	—

8. OTHER CURRENT LIABILITIES

a. Statutory Dues	657,080	492,160
b. Audit Fee Payable	40,000	40,000
d. Others	2,475,757	1,513,142
Total	3,172,837	2,045,302

9. PROVISIONS

Provision for Income tax	6,373,361	3,849,996
Total	6,373,361	3,849,996



STANDALONE

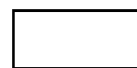
CIN: L15432TG1990PLC032731

10. FIXED ASSETS (In Rupees)

Name of the Asset	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As at 01.04.2019	Additions/ Adj. during the year	As at 31.03.2020	As at 01.04.2019	During the year	As at 31.03.2020	As at 31.03.2019
A. Tangible Assets							
Building	2,050,000	—	2,050,000	99,836	94,973	1,855,191	1,950,164
Vehicles	350,000	—	350,000	109,305	75,169	165,526	240,695
Total (A)	2,400,000	—	2,400,000	209,141	170,142	2,020,717	2,190,859
B Intangible Assets							
C Capital Work in Progress	—	—	—	—	—	—	—
Total	2,400,000	—	2,400,000	209,141	170,142	2,020,717	2,190,859
Previous Year	—	—	2,400,000	—	209,141	2,190,859	—

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



STANDALONE

As at 31.03.2020
In Rupees

As at 31.03.2019
In Rupees

11. NON-CURRENT INVESTMENTS

Trade Investments (Valued at cost unless stated otherwise)

Equity Shares (quoted)

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

Equity Shares (Unquoted)

a. 5,50,000 Equity Shares of Rs.10/- each fully paid up in Prudential Spinners Ltd.	5,500,000	5,500,000
b. 25,00,000 Preference Shares @ Rs 50/- each paid up in Prudential Ammana Sugars Limited	—	—
c. 12,50,000 Preference Shares @ Rs 100/- each paid up in Discovery Infoways Limited	—	—
d. Prudential Ammana Sugars Limited - Equity Shares	25,999,300	25,999,300

Other Investments

National Savings Certificate (Deposited with Forest Department)	11,000	11,000
Total	31,527,305	31,527,305

12. OTHER NON-CURRENT ASSETS

Loans and Advances

Unsecured, considered good	80,171,036	87,747,080
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Total	80,171,036	87,747,080
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13. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

a. Work-in-progress	—	—
b. Finished Goods	—	—
c. Stores and spares	—	—
d. Loose Tools	—	—
Total	—	—

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

Unsecured, considered good for a period exceeding 6 months

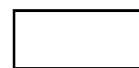
Others	—	—
Total	—	—

15. CASH AND BANK BALANCES

a. Balances with banks*		
On Current accounts	103,196	2,561,130
b. Cheques in Hand	—	—
c. Cash on hand*	51,771	51,333
Total	154,967	2,612,463

Prudential Sugar Corporation Limited

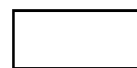
CIN: L15432TG1990PLC032731



	For the year ended 31.03.2020 In Rupees	STANDALONE For the year ended 31.03.2019 In Rupees
16. SHORT TERM LOANS AND ADVANCES		
a. Loans and advances		
Unsecured, considered good	—	—
	<u>—</u>	<u>—</u>
b. Others		
Prepaid Expenses	559,975	559,975
Balances with Statutory/Government Authorities and Judicial Courts	287,481,012	284,896,839
Others	279,063,301	260,671,804
	<u>567,104,288</u>	<u>546,128,618</u>
Total	<u>567,104,288</u>	<u>546,128,618</u>
17. REVENUE FROM OPERATIONS		
Sale of products	—	—
Other operating revenues		
Scrap sales	—	—
Less: Excise duty	—	—
	<u>—</u>	<u>—</u>
Total	<u>—</u>	<u>—</u>
18. OTHER INCOME		
Interest Income	25,023,433	38,000,107
Claims Received from Insurance	—	—
Reimbursement of Expenses	—	—
Misc & Others	—	—
	<u>25,023,433</u>	<u>38,000,107</u>
Total	<u>25,023,433</u>	<u>38,000,107</u>
19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	—	—
Add: Purchases	—	—
	<u>—</u>	<u>—</u>
Cost of Raw materials and Components Consumed	—	—
	<u>—</u>	<u>—</u>
20. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	—	—
Finished Goods	—	—
	<u>—</u>	<u>—</u>
Inventories at the beginning of the year		
Work in Progress	—	—
Finished Goods	—	—
	<u>—</u>	<u>—</u>
Total	<u>—</u>	<u>—</u>

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



STANDALONE

For the year
ended 31.03.2020
In Rupees

For the year
ended 31.03.2019
In Rupees

21. EMPLOYEE BENEFIT EXPENSES

a. Salaries, Wages and Bonus	5,928,300	6,936,850
b. Contributions to Provident and other funds	—	—
c. Gratuity expenses	—	—
d. Staff welfare expenses	38,103	50,000
Total	5,966,403	6,986,850

22. FINANCE COST

Interest expense	2,193	10,581
Total	2,193	10,581

23. DEPRECIATION

Depreciation of Tangible Assets	170,142	209,141
Total	170,142	209,141

24. OTHER EXPENSES

Consumption of Stores & Spares	—	—
Power & Fuel	195,679	278,524
Handling charges	—	—
Repairs and maintenance	—	—
To Plant & Machinery	—	—
To Buildings	—	—
To Others	47,381	63,979
Rates & taxes	53,644	491,452
Legal & Professional Fees	3,101,905	3,494,840
Bank charges	10,827	9,491
Printing & Stationery	159,241	406,869
Telephone & Internet Charges	96,900	123,493
Travelling Expense	2,416,497	2,237,537
Sales commission & Brokerage	—	2,350,000
Compensation Expenses	—	—
Business Promotion	860,000	2,610,000
Rent	1,019,168	1,462,474
Miscellaneous Expense	1,178,201	2,417,200
Total	9,139,443	15,945,860
Auditors Remuneration		
Audit Fee	25,000	25,000
Tax Audit Fee	15,000	15,000
Total	40,000	40,000



Note No. 25

1. SIGNIFICANT ACCOUNTING POLICIES ON FINANCIALS

1.2 Basis of Preparation

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

1.3 Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected, shown under the head 'Reserves and Surplus', in the financial statements.

1.4 Fixed Assets, Intangible Assets and Depreciation / Amortization

Fixed assets are stated at their original cost of acquisition including taxes, duties, freight, and other incidental expenses related to acquisition and installation of the concerned asset less accumulated depreciation and impairment losses, if any. Fixed assets are further adjusted by the amount of GST credit wherever applicable and subsidy directly attributable to the cost of fixed assets. Interest and other borrowing costs are capitalized only if capitalization criteria are met.

The cost and the accumulated depreciation for the fixed assets sold or otherwise disposed off are removed from the stated values and resulting gain and losses are recognized in statement of profit & loss.

1.5 Investments

Investments are stated at cost and provision for diminution in the value of investments is made only if such a decline is other than temporary.

1.6 Inventories

Items of inventories are valued at lower of cost or net estimated realizable value after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of transport, cost of conversion and other costs including manufacturing /other overheads incurred in bringing them to their respective present location and condition. Inter-unit goods transfers are valued at lower of cost / net estimated realizable value.

1.7 Revenue Recognition

Revenue is recognized on transfer of significant risk and rewards only if, it can be reliably measured and it is reasonable to expect ultimate collection and there exists no significant uncertainty in its ultimate realizations.



1.8 Employee Benefits

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

Contribution to defined schemes such as Provident Fund and ESI is recognized on accrual basis.

Leave encashment is accounted for on accrual basis.

No Actuarial Valuation has been done by the Company hence no provision has been made by the Company towards its Gratuity Liability.

Performance based declared ex-gratia & accretion thereto is provided in the Statement of Profit and Loss and to be disbursed as per the policy framed by the management.

1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to Statement of Profit and Loss account in the year in which they are incurred.

1.10 Provision for Current and Deferred Tax

Income Tax liability is ascertained on the basis of assessable income computed in accordance with the Provisions of Income Tax Act, 1961 enacted in India & tax laws prevailing in the respective tax jurisdictions where the Group operates.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

1.11 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event and it is possible that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

No provision is made for contingent liabilities, which are contingent in nature, but if material, these are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



STANDALONE

Note No. 26

Notes To The Account

Contingent Liabilities

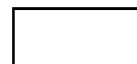
1. Company has entered into a Settled Agreement with Ashok Leyland Finance Ltd for Rs. 28.52 Lacs payable in 3 instalments . Out of the said settled amount company has already paid a sum of Rs. 20.00 Lacs. The Company has requested further time for payment of balance amount and the same is under consideration of M/s Ashok Leyland Finance Ltd . In case of failure an additional amount of Rs. 17.05Lacs (P.Y 17.05 Lacs) to be further provided in the Books of Account.(as on date status to be ascertained)
2. Claims of Rs. 22.08 Lacs(P.Y. Rs. 22.08 Lacs) by Sobhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh.(as on date status to be ascertained)
3. Sales Tax claim of Rs. 22.80 Lacs (P.Y. 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.YRs. 11.65 lacs) against above claim which is shown as deposit receivable in the books of accounts. (as on date status to be ascertained)
4. The Company has issued 16% Cumulating 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. 8.0 Lacs. The company has also issued 16% Cumulative Redeemable Preference Shares for Rs. 400.0 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 is to be ascertained in terms of the modified SEBI rules.
5. Disputed claim of penal charges on delayed payment of Provident Fund Rs. 9.87 Lacs (P.Y Rs.9.87 Lacs) (as on date status to be ascertained)
6. Income Tax Claim of Rs. 70.76 Las for A.Y 2013-14 against which appeal is pending with Appellate Authority . The company has paid Rs. 10.62 Lacs against above claim. (as on date status to be ascertained)
7. Income Tax Demand of Rs.209,541,723 has been disputed by the Company for the year 2017-18 and an Appeal is pending in ITBA/AST/S/143(3)/2020-2011022926340.
8. 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 these are stated at the realizable / payable amount.
9. Actuarial Valuation of Gratuity has not been done by the Company and hence no Gratuity Liability has been provided in the Books of Account.

Auditors Remuneration Represents:	31.3.2020	31.3.2019
	Rupees	Rupees
Statutory Audit Fees	25,000	25,000
Tax Audit Fees	15,000	15,000

There are no Micro and Small Enterprises to whom the Company owes any amount which are outstanding as at March 31, 2020

The Company operates in only one Segment Sugar and therefore the figures given relates to one Segment.

Prudential Sugar Corporation Limited



Disclosures in respect of Accounting Standard (AS)-18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

Related Party Disclosures

Key managerial Personnel

Sri Vinod Baid.

Name of the Party	Nature of Relationship
Sri Venkateswara Sugar & Industries Pvt Ltd	Common Director

Previous Year figures have been regrouped / rearranged wherever found necessary.

For and on behalf of the Board

As per our report of even date

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

For R Pugalia & Company
Chartered Accountants
Firm Regn. No. 318188E

Place : Hyderabad
Date : 14.08.2020

Anit Surana
Chief Financial Officer

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972



INDEPENDENT AUDITORS' REPORT

To
The Members,
PRUDENTIAL AMMANA SUGARS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Prudential Ammana Sugars Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



Based on the work we have performed, we conclude that we have nothing to report that there is a material misstatement of this other information

Management's and Board of Directors responsibility for the Standalone financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to 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 principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143(3) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone balance sheet, the standalone statement of profit and loss and the standalone cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the

Prudential Ammana Sugars Limited



Company and the operating effectiveness of such controls refer to our separate Report in Annexure B

- B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements – NIL .
 - ii. Company is not required to transfer any amount to the Investor Education and Protection Fund.
- C. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its Director which falls under the purview of the Companies Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Hyderabad
Date : 14.08.2020



Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of **Prudential Ammana Sugars Limited** of even date)

We have audited the internal financial controls over financial reporting of **Prudential Ammana Sugars Limited** (“the Company”) as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

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

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance



that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Hyderabad
Date : 14.08.2020

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972



Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of **Prudential Ammana Sugars Limited** of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. The Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company
- ii. The Company is a service company and accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’) .
 - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. there is no overdue amount in respect of loans granted to such Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, where applicable, with respect to the loans given, investments made, guarantees and securities given.
- v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Goods and Services tax, Duty of Customs, Cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of excise and Sales tax.



- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and any other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or Duty of Customs or Duty of Excise or Value added tax which have not been deposited by the Company on account of disputes.

However the Company has failed to deposit tax deducted at source on interest payable to its holding company with the Income tax Department.

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Hyderabad
Date : 14.08.2020

Prudential Ammana Sugars Limited

PRUDENTIAL AMMANA SUGARS LIMITED

CIN: U21020AP1988PLC008729

Balance Sheet as at March 31, 2020

Particulars	Notes	March 31, 2020	March 31, 2019
1. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
a. Share Capital	1	51,000,000	51,000,000
b. Reserve & Surplus	2	124,177,401	109,726,640
		<u>175,177,401</u>	<u>160,726,640</u>
2. Non Current Liabilities			
a. Other Non Current Liabilities	3	1,100	1,100
		<u>1,100</u>	<u>1,100</u>
3. Current Liabilities & Provisions			
a. Other Current Liabilities	4	541,118,568	514,407,600
b. Provisions	5	13,421,780	7,857,872
		<u>554,540,348</u>	<u>522,265,472</u>
Total (of 1,2,3)		<u>729,718,849</u>	<u>682,993,212</u>
2. ASSETS			
1. Non Current assets			
a. Fixed Assets			
i. Tangible Assets			
Gross Block		24,300,000	24,300,000
Less: Depreciation		—	—
Net Block	6	24,300,000	24,300,000
ii. Intangible Assets		—	—
Capital work-in progress		—	—
Non-current investments		—	—
Other Non-current Assets		—	—
Deferred tax assets (net)		—	—
		<u>24,300,000</u>	<u>24,300,000</u>
2. Current Assets			
a. Cash and Cash Equivalents	7	13,106	497,955
b. Other Current Assets	8	705,405,743	658,195,257
		<u>705,418,849</u>	<u>658,693,212</u>
Total		<u>729,718,849</u>	<u>682,993,212</u>

Significant Accounting Policies and Notes 1-14

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

For **R Pugalia & Company**

For and on behalf of the Board

Chartered Accountants

FRN : 318188E

Rajeev Kumar Pugalia**Navin Kumar Banthia****Subhas Banerjee**

Proprietor

Director

Director

Membership No. 053972

DIN: 02053118

DIN: 05163789

Place : Hyderabad

Date : 14.08.2020

Prudential Ammana Sugars Limited

PRUDENTIAL AMMANA SUGARS LIMITED

CIN: U21020AP1988PLC008729

Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Notes	March 31, 2020	March 31, 2019
I Income			
Revenue from operations	9	—	—
Less: Excise Duty		—	—
		—	—
Other income	10	49,253,927	58,870,462
Total Revenue (I)		49,253,927	58,870,462
II Expenses:			
Employee benefits expenses	11	3,170,000	1,800,000
Finance costs	12	17,967,521	30,000,000
Other expenses	13	8,101,737	7,049,758
Total Expenses (II)		29,239,258	38,849,758
Profit before Exceptional, Extraordinary items & Taxation		20,014,669	20,020,703
Add: Exceptional Items		—	—
Tax of Earlier Years		—	—
Tax Current Year		5,563,908	5,205,382
Less: Deferred Tax Assets		—	—
Profit / (Loss) for the year from continuing operations		14,450,761	14,815,321
Earning per equity shares			
Basic		5.72	5.70
Diluted		—	—
Significant Accounting Policies and Notes	1-14		

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

For **R Pugalia & Company**
Chartered Accountants
FRN : 318188E

For and on behalf of the Board

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972
Place : Hyderabad
Date : 14.08.2020

Navin Kumar Banthia
Director
DIN: 02053118

Subhas Banerjee
Director
DIN: 05163789

Prudential Ammana Sugars Limited

PRUDENTIAL AMMANA SUGARS LIMITED

CIN: U21020AP1988PLC008729

Cash Flow Statement for the year ended March 31, 2020**(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Cash Flow from Operating Activities		
Net Profit	144.47	148
Adjustments for:		
Depreciation	—	—
Interest paid	—	—
Other Income	(492.54)	(588.70)
Operating Profit before working capital changes	(348.07)	(440.55)
Adjustments for:		
Increase/(Decrease) in Current Liabilities	322.79	678.04
(Increase)/Decrease in Current Assets	(472.10)	(821.33)
Increase/(Decrease) in Non-Current Liabilities	—	—
Increase/(Decrease) in Non-Current Assets	—	—
Cash generation from operation	(497.39)	(583.84)
Cash Flow from Investing Activities		
(Purchase)/Sale of Fixed Assets	—	—
Capital Work in Progress	—	—
Other Income	492.54	588.70
Net Cash Flow from Investing Activities	492.54	588.70
Cash Flow from Financing Activities		
Payment of Short Term Borrowings	—	—
Long Term Loans & Advances Given	—	—
Interest paid	—	—
Sale of Investments	—	—
Net Cash Flow from Financing Activities	—	—
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCE	(4.85)	4.86
Add: Opening Cash and Bank balance	4.98	0.12
Cash and Bank balance at end of period	0.13	4.98

For **R Pugalia & Company**

For and on behalf of the Board

Chartered Accountants

FRN : 318188E

Rajeev Kumar Pugalia**Navin Kumar Banthia****Subhas Banerjee**

Proprietor

Director

Director

Membership No. 053972

DIN: 02053118

DIN: 05163789

Place : Hyderabad

Date : 14.08.2020

Prudential Ammana Sugars Limited

PRUDENTIAL AMMANA SUGARS LIMITED

CIN: U21020AP1988PLC008729

Notes on Financial Statement for the year ended March 31, 2020

March 31, 2020 March 31, 2019

1. Share Capital

Equity Shares Capital:

Authorised Share capital

35,00,000 equity shares of Rs.10/- each **35,000,000** 35,000,00025,00,000 Pref. Shares of Rs.10/- each **25,000,000** 25,000,000**60,000,000** 60,000,000

Issued, subscribed & fully paid

26,00,000 equity shares of Rs.10/- each **26,000,000** 26,000,00025,00,000 Pref. Shares of Rs.10/- each **25,000,000** 25,000,000**51,000,000** 51,000,000

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

2 Reserve & SurplusShare Premium Capital Reserves **100,000,000** 100,000,000General Reserve **32,299** 32,299

Surplus/(deficit)

Balance as per last account **9,694,341** (5,120,980)Add: Profit/ (loss) during the year **14,450,761** 14,815,321Total **124,177,401** 109,726,640**3. Other Non Current Liabilities**Audit Fees Payable **1,100** 1,100**1,100** 1,100

Prudential Ammana Sugars Limited

PRUDENTIAL AMMANA SUGARS LIMITED



CIN: U21020AP1988PLC008729

March 31, 2020 March 31, 2019

Current Liabilities

4 Other Current Liabilities

Audit Fees Payable	50,000	25,000
Other Liabilities	4,796,751	3,000,000
Loans Taken from Holding Company	536,271,817	511,382,600
	541,118,568	514,407,600

5 Provisions

Provision for Income Tax	13,421,780	7,857,872
Total	13,421,780	7,857,872

6. Tangible Assets

Description	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As on 01.04.2019	Addition/ (Deduction) During the Year	As on 31.03.2020	As on 01.04.2019	During the Year	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
Land	24,300,000	—	24,300,000	—	—	—	24,300,000	24,300,000
TOTAL	24,300,000	—	24,300,000	—	—	—	24,300,000	24,300,000
Previous Year	24,300,000	—	24,300,000	—	—	—	24,300,000	24,300,000

7. Cash and Bank Balances

a. Balance with Banks		
On Current Accounts	13,037	497,886
b. Cheques in Hand	—	—
c. Cash in Hand	69	69
	13,106	497,955

8. Other Current Assets

a. Loans and Advances	—	—
Unsecured, considered good		
b. Others		
Loans Given	420,828,655	517,834,850
Advances	269,770,186	130,429,109
Tax Deducted at Source	14,806,902	9,931,298
	705,405,743	658,195,257
	705,405,743	658,195,257

Prudential Ammana Sugars Limited

PRUDENTIAL AMMANA SUGARS LIMITED



CIN: U21020AP1988PLC008729

March 31, 2020 **March 31, 2019**

9. Revenue from Operations		
Sale of products	—	—
Other operating revenues	—	—
Total	—	—
 10. Other Income		
Interest Income	49,250,807	58,657,385
Interest Income on FDR	—	213,076
Interest Income on Income Tax Refund	3,120	—
Misc & Others	—	—
Total	49,253,927	58,870,461
 11. Employee Benefit expenses		
a. Salaries, Wages and Bonus	3,170,000	1,800,000
b. Contributions to Provident and other funds		
c. Gratuity expenses		
d. Staff welfare expenses		
Total	3,170,000	1,800,000
 12. Finance Cost		
Interest Expense	17,967,521	30,000,000
Total	17,967,521	30,000,000
 13. Other Expenses		
Legal & Consultancy Fees	1,333,125	1,214,531
Professional Charges	1,544,750	1,250,307
Bank charges	467	3,973
ROC Filing Fee	10,200	30,000
Business Promotion	1,236,800	1,153,136
Brokrage & Commisssion	776,500	970,696
Travelling Expense	2,045,000	1,706,075
General Expenses	106,762	—
Miscellaneous Expense	1,023,133	696,040
Total	8,076,737	7,024,758
 Auditors Remuneration		
Audit Fee	15,000	25,000
Tax Audit Fee	10,000	—
Total	25,000	25,000



14. Significant Accounting Policies

I GENERAL

The Accounts of the Company are prepared on Going Concern Concept under the Historical Cost of Convention following the Mercantile System of accounting

II FIXED ASSETS

Fixed Assets are stated at historical cost plus other expenses incidental to putting such assets in use. Major expenditure incurred in enhancing the useful lives of the assets are capitalized.

Borrowing costs directly attributable to acquisition, construction or addition of fixed assets are capitalized.

III DEPRECIATION

No depreciation has been provided as the company did not have any depreciable fixed assets during the year

IV REVENUE RECOGNITION

Revenue is recognized when it can be reliably measured.

V CASH AND CASH EQUIVALENTS

Cash & Cash Equivalents are included cash in hand.

VI EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

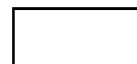
For **R Pugalia & Company**
Chartered Accountants
FRN : 318188E

For and on behalf of the Board

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972
Place : Hyderabad
Date : 14.08.2020

Navin Kumar Banthia
Director
DIN: 02053118

Subhas Banerjee
Director
DIN: 05163789



INDEPENDENT AUDITORS' REPORT

To
The Members,
PRUDENTIAL SUGAR CORPORATION LIMITED
Hyderabad

Report on the Consolidated Financial Statements

Opinion We have audited the accompanying consolidated financial statements of **Prudential Sugar Corporation Limited** ("hereinafter referred to as the Holding Company") and its subsidiary **Prudential Ammana Sugar Ltd** (the Holding Company and its subsidiaries together referred to as "the Group") the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

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



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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that we have nothing to report that there is a material misstatement of this other information



Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to 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 principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in Annexure A
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with

Prudential Sugar Corporation Limited



Rule 11 of the Companies(Audit and Auditors) Rules 2014 , in our opinion and the to the best of our information and according to the explanations given to us we report that:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
- ii. The Company is not required to transfer, to the Investor Education and Protection Fund by the Company.
- iii As per the Directives of the XXV Additional Chief Justice City Civil Court Hyderabad the Company has deposited a sum of Rs 250000000.00 with them as security against till the settlement of a case filed by a Shareholder against the company opposing the sale of Fixed Assets..
- iv 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. 26, The impact of which is that the Current Liabilites are understated by Rs. 80.00 lacs and the Capital is overstated by the same amount.
- v The Company has not accounted for the provisions for retirement benefits as per AS-46 Refer to Note No. 26 the impact of which is unascertained.
- vi Non Current Assets and Non Current Liabilities during the year have shown a quantum increase during the year and we are unable to comment upon their actual realisation or payment.
- viii The Company has given Loans to its Subsidiary M/s Prudential Ammana Sugar Ltd for non banking financial purposes in violation of S 185 of the Companies Act 2013.

Place : Hyderabad
Date : 14.08.2020

For R Pugalia & Company
Chartered Accountants
Firm Registration No. 318188E

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



CONSOLIDATED

BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Notes	As at 31.03.2020 In Rupees	As at 31.03.2019 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	1	372,070,000	372,070,000
Reserves and surplus	2	<u>539,222,290</u>	<u>517,593,815</u>
		<u>911,292,290</u>	<u>889,663,815</u>
2. Non-current liabilities			
Long-term borrowings	3	1,127,000	1,127,000
Other Long term liabilities	4	60,781,854	60,842,854
Long-term provisions	5	—	—
		<u>61,908,854</u>	<u>61,969,854</u>
3. Current liabilities			
Short-term borrowings	6	—	—
Trade payables	7	—	—
Other current liabilities	8	265,228,104	255,771,098
Provisions	9	<u>19,799,314</u>	<u>11,707,868</u>
		<u>285,027,418</u>	<u>267,478,966</u>
TOTAL (of 1,2,3)		<u>1,258,228,562</u>	<u>1,219,112,635</u>
II. ASSETS			
Non-current assets			
1. Fixed assets			
Tangible assets	10	26,320,717	26,490,859
Intangible assets		—	—
Capital work-in-progress		—	—
Non-current investments	11	5,528,005	5,528,005
Other Non-current assets	12	80,171,036	87,747,080
Deferred tax assets (net)		<u>152,594,001</u>	<u>152,594,001</u>
		<u>264,613,759</u>	<u>272,359,945</u>
2. Current assets			
Inventories	13	—	—
Trade receivables	14	—	—
Cash and cash equivalents	15	168,073	3,110,618
Short-term loans and advances	16	<u>993,446,730</u>	<u>943,642,072</u>
		<u>993,614,803</u>	<u>946,752,690</u>
TOTAL (of 1,2)		<u>1,258,228,562</u>	<u>1,219,112,635</u>
III. SIGNIFICANT ACCOUNTING POLICIES			
	25		
NOTES TO ACCOUNTS			
	26		

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
	K. Subba Rao	For R Pugalia & Company
	Whole Time Director	Chartered Accountants
	DIN:02552019	Firm Regn. No. 318188E
Place : Hyderabad	Anit Surana	Rajeev Kumar Pugalia
Date : 14.08.2020	Chief Financial Officer	Proprietor
		Membership No. 053972

Prudential Sugar Corporation Limited



CIN: L15432TG1990PLC032731

CONSOLIDATED

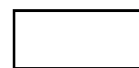
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	Notes	Year ended 31.03.2020 In Rupees	Year ended 31.03.2019 In Rupees
I. Income			
Revenue from operations	17	—	—
Less: Excise Duty		—	—
Other income	18	56,309,839	66,870,568
Total Revenue		56,309,839	66,870,568
II. Expenses:			
Cost of materials consumed	19	—	—
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	20	—	—
Employee benefits expense	21	9,136,403	8,786,850
Finance costs	22	2,193	10,581
Depreciation and amortization expense	23	170,142	209,141
Other expenses	24	17,281,180	23,035,618
Total Expenses		26,589,918	32,042,190
Profit before Exceptional, Extraordinary items & Taxation		29,719,921	34,828,378
Add: Exceptional Items		—	—
Less: Deferred Tax Assets (Loss)		—	—
Less: Provision for Tax		8,091,446	9,055,378
Profit after Taxation		21,628,475	25,773,000
Earnings per equity share:			
Basic		0.65	0.78
Diluted		0.65	0.78
III. SIGNIFICANT ACCOUNTING POLICIES	25		
NOTES TO ACCOUNTS	26		

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

	For and on behalf of the Board	As per our report of even date
	K. Subba Rao	For R Pugalia & Company
	Whole Time Director	Chartered Accountants
	DIN:02552019	Firm Regn. No. 318188E
	Y. Ravinder Reddy	Rajeev Kumar Pugalia
	Director	Proprietor
	DIN: 00011040	Membership No. 053972
Place : Hyderabad	Anit Surana	
Date : 14.08.2020	Chief Financial Officer	

Prudential Sugar Corporation Limited



CIN: L15432TG1990PLC032731

CONSOLIDATED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	31.03.2020	31.03.2019
	(Rs. in lakhs)	(Rs. in lakhs)
<u>Cash flow from Operating activities</u>		
Net Profit before Tax and Extraordinary items	216.28	257.73
Adjustments for :		
Depreciation	1.70	2.09
Interest paid	0.02	0.11
Other Income	<u>(563.10)</u>	<u>(668.71)</u>
Operating Profit before working capital changes	(345.09)	(408.78)
Adjustments for:		
Increase/(Decrease) in Trade Payables	—	—
(Increase)/Decrease in Inventories	—	—
(Increase)/Decrease in Trade Receivables	—	—
Increase/(Decrease) in Current Liabilities	175.48	(451.93)
Increase/(Decrease) in Non-Current Liabilities	(0.61)	358.41
(Increase)/Decrease in Current Assets	(498.05)	636.43
(Increase)/Decrease in Non-Current Assets	75.76	(877.47)
Cash generation from operation	<u>(592.51)</u>	<u>(743.34)</u>
<u>Cash flow from Investing Activities</u>		
(Purchase)/Sale of Fixed Assets	—	(24.00)
Capital Work in Progress	—	—
Other Income	563.10	668.71
Sale of Investments	—	—
Net Cash Flow from Investing Activities	<u>563.10</u>	<u>644.71</u>
<u>Cash flow from Financing activities</u>		
Payment of Short Term Borrowings	—	—
Interest paid	(0.02)	(0.11)
Net Cash flow from Financing Activities	<u>(0.02)</u>	<u>(0.11)</u>
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(29.43)	(98.74)
Add: Opening Cash and Bank balance	31.11	129.85
Cash and Bank balance at the end of period	1.68	31.11

For and on behalf of the Board
K. Subba Rao **Y. Ravinder Reddy**
 Whole Time Director Director
 DIN:02552019 DIN: 00011040

As per our report of even date
For R Pugalia & Company
 Chartered Accountants
 Firm Regn. No. 318188E

Place : Hyderabad
 Date : 14.08.2020

Anit Surana
 Chief Financial Officer

Rajeev Kumar Pugalia
 Proprietor
 Membership No. 053972

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



CONSOLIDATED

As at 31.03.2020 As at 31.03.2019
In Rupees In Rupees

1. SHARE CAPITAL

Authorised

5,00,00,000 Equity Shares of Rs.10 each	500,000,000	500,000,000
50,00,000 16% Cum.Redemable Preference shares of Rs.50 each		
	<u>250,000,000</u>	<u>250,000,000</u>
	<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)	<u>50,000,000</u>	<u>50,000,000</u>
	<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
65,000,00 Equity shares of Rs.10 each	<u>65,000,000</u>	<u>65,000,000</u>
	<u>323,320,000</u>	<u>323,320,000</u>

Subscribed but not fully Paid up

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

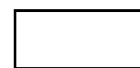
1.1. The Opening and Closing balance of the Subscribed and Paid-up equity shares of the company are same, hence, the reconciliation between opening number and closing number of shares does not arise.

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

S. Name of Shareholder No.	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Vab Ventures Limited	10,477,599	29.31	10,477,599	29.31
2. Premier Fiscal Services Pvt. Ltd.	3,400,500	9.51	3,400,500	9.51
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

CIN: L15432TG1990PLC032731



CONSOLIDATED

As at 31.03.2020
In Rupees

As at 31.03.2019
In Rupees

2. RESERVES AND SURPLUS

A. Capital Reserves	1,500,000	1,500,000
B. Securities Premium Account		
Premium @ Rs.10/- on 65,00,000 Equity Shares	65,000,000	65,000,000
Premium @ Rs.40/- on 25,00,000 Pref. Shares	100,000,000	100,000,000
	165,000,000	165,000,000
C. General Reserves	32,299	32,299
C. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	351,061,516	325,288,516
(+) Net Profit/(Net Loss) For the current year	21,628,475	25,773,000
Closing Balance	372,689,991	351,061,516
Total	539,222,290	517,593,815

3. LONG TERM BORROWINGS

a. Term loans		
Rupee loan from banks - IIBI Limited	1,127,000	1,127,000
Total	1,127,000	1,127,000

Notes

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

4. OTHER LONG TERM LIABILITIES

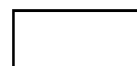
Advances		
From Related Parties	24,540,054	24,540,054
From Others	11,200,000	11,200,000
Audit Fee Payable	41,000	102,000
Minority Interest	25,000,700	25,000,700
Total	60,781,854	60,842,854

5. PROVISIONS (Long Term)

a. Provision for employee benefits		
Superannuation (unfunded)	—	—
Total	—	—

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731

**CONSOLIDATED**As at 31.03.2020
In RupeesAs at 31.03.2019
In Rupees**6. SHORT TERM BORROWINGS****a. Loans and advances**

From Others

— —

From Corporate

— —

Total

7. TRADE PAYABLES

Trade Payables

— —

Total

8. OTHER CURRENT LIABILITIES

a. Audit Fee Payable

90,000 65,000

b. Statutory Dues

5,453,831 3,492,160

c. Other Liabilities

259,684,273 252,213,938**Total**

9. PROVISIONS

Provision for Income tax

19,799,314 11,707,868**Total**



CONSOLIDATED

(In Rupees)

CIN: L15432TG1990PLC032731

10. FIXED ASSETS

Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2019	Additions/ Adj. during the year	As at 31.03.2020	As at 01.04.2019	During the year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
A. Tangible Assets								
Land	24,300,000	—	24,300,000	—	—	—	24,300,000	24,300,000
Building	1,950,164	—	1,950,164	99,836	94,973	194,809	1,755,355	—
Vehicles	240,695	—	240,695	109,305	75,169	184,474	56,221	—
Total (A)	26,490,859	—	26,490,859	209,141	170,142	379,283	26,111,576	24,300,000
B Intangible Assets								
C Capital Work in Progress								
Total	26,490,859	—	26,490,859	209,141	170,142	379,283	26,111,576	24,300,000
Previous Year	24,300,000	2,400,000	26,700,000	—	209,141	209,141	26,490,859	24,300,000

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



CONSOLIDATED

As at 31.03.2020
In Rupees

As at 31.03.2019
In Rupees

11. NON-CURRENT INVESTMENTS

Trade Investments (Valued at cost unless stated otherwise)

Equity Shares (quoted)

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

Equity Shares (Unquoted)

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

Other Investments

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

12. OTHER NON-CURRENT ASSETS

Loans and Advances

Unsecured, considered good	80,171,036	87,747,080
----------------------------	------------	------------

Total	80,171,036	87,747,080
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13. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)

a. Work-in-progress	—	—
b. Finished Goods	—	—
c. Stores and spares	—	—
d. Loose Tools	—	—
Total	—	—

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

Unsecured, considered good for a period exceeding 6 months

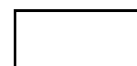
Others	—	—
Total	—	—

15. CASH AND BANK BALANCES

a. Balances with banks*		
On Current accounts	116,233	3,059,016
b. Cheques in Hand	—	—
c. Cash on hand*	51,840	51,602
Total	168,073	3,110,618

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



CONSOLIDATED

For the year ended 31.03.2020	For the year ended 31.03.2019
In Rupees	In Rupees

16. SHORT TERM LOANS AND ADVANCES

a. Loans and advances

Unsecured, considered good	420,828,655	517,834,850
----------------------------	-------------	-------------

b. Others

Prepaid Expenses	559,975	559,975
------------------	---------	---------

Balances with Statutory/Government Authorities	302,287,914	294,828,138
--	-------------	-------------

Others	269,770,186	130,419,109
--------	-------------	-------------

	572,618,075	425,807,222
--	-------------	-------------

Total	993,446,730	943,642,072
--------------	-------------	-------------

17. REVENUE FROM OPERATIONS

Sale of products	—	—
------------------	---	---

Other operating revenues

Scrap sales	—	—
-------------	---	---

Less: Excise duty	—	—
-------------------	---	---

Total	—	—
--------------	---	---

18. OTHER INCOME

Interest Income	56,309,839	8,213,183
-----------------	------------	-----------

Claims Received from Insurance	—	—
--------------------------------	---	---

Reimbursement of Expenses	—	—
---------------------------	---	---

Misc & Others	—	—
---------------	---	---

Interest received on Loan	—	58,657,385
---------------------------	---	------------

Total	56,309,839	66,870,568
--------------	------------	------------

19. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Inventory at the beginning of the year	—	—
--	---	---

Add: Purchases	—	—
----------------	---	---

Cost of Raw materials and Components Consumed	—	—
---	---	---

20. (INCREASE) / DECREASE IN INVENTORIES

Inventories at the end of the year

Work in Progress	—	—
------------------	---	---

Finished Goods	—	—
----------------	---	---

	—	—
--	---	---

Inventories at the beginning of the year

Work in Progress	—	—
------------------	---	---

Finished Goods	—	—
----------------	---	---

	—	—
--	---	---

Total	—	—
--------------	---	---

Prudential Sugar Corporation Limited

CIN: L15432TG1990PLC032731



CONSOLIDATED

For the year	For the year
ended 31.03.2020	ended 31.03.2019
In Rupees	In Rupees

21. EMPLOYEE BENEFIT EXPENSES

a. Salaries, Wages and Bonus	9,098,300	8,736,850
b. Contributions to Provident and other funds	—	—
c. Gratuity expenses	—	—
d. Staff welfare expenses	38,103	50,000
Total	9,136,403	8,786,850

22. FINANCE COST

Interest expense	2,193	10,581
Total	2,193	10,581

23. DEPRECIATION

Depreciation of Tangible Assets	170,142	209,141
Total	170,142	209,141

24. OTHER EXPENSES

Consumption of Stores & Spares	—	—
Power & Fuel	195,679	278,524
Handling charges	—	—
Repairs and maintenance		
To Plant & Machinery	—	—
To Buildings	—	—
To Others	47,381	63,979
Rates & taxes	53,644	476,437
Legal & Professional Fees	4,435,030	4,719,371
Professional and Retainership	1,544,750	1,250,307
ROC Filing fees	10,200	45,015
Donation	—	—
Commission and Brokerage	—	3,320,696
Packing Materials	—	—
Bank charges	11,294	13,465
Printing & Stationery	159,241	406,869
Telephone & Internet Charges	96,900	123,493
Travelling & Conveyance Expense	4,461,497	3,943,612
Commission	776,500	—
Business Promotion	2,096,800	3,753,136
Rent	1,019,168	1,462,474
Miscellaneous Expense	2,201,334	3,113,240
General Expenses	106,762	—
Auditors Remuneration		
Audit Fee	65,000	65,000
Total	17,281,180	23,035,618



Note No. 25

1. SIGNIFICANT ACCOUNTING POLICIES ON FINANCIALS

1.2 Basis of Preparation

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

1.3 Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. .

shown under the head 'Reserves and Surplus', in the financial statements.

1.4 Fixed Assets, Intangible Assets and Depreciation/Amortization

Fixed assets are stated at their original cost of acquisition including taxes, duties, freight, and other incidental expenses related to acquisition and installation of the concerned asset less accumulated depreciation and impairment losses, if any. Fixed assets are further adjusted by the amount of Cenvat and Vat credit wherever applicable and subsidy directly attributable to the cost of fixed assets. Interest and other borrowing costs are capitalized only if capitalization criteria are met.

The cost and the accumulated depreciation for the fixed assets sold or otherwise disposed off are removed from the stated values and resulting gain and losses are recognized in statement of profit & loss.

1.5 Investments

Investments are stated at cost and provision for diminution in the value of investments is made only if such a decline is other than temporary.

1.6 Inventories

Items of inventories are valued at lower of cost or net estimated realizable value after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of transport, cost of conversion and other costs including manufacturing /other overheads incurred in bringing them to their respective present location and condition. Inter-unit goods transfers are valued at lower of cost / net estimated realizable value.

1.7 Revenue Recognition

Revenue is recognized on transfer of significant risk and rewards only if, it can be reliably



measured and it is reasonable to expect ultimate collection and there exists no significant uncertainty in its ultimate realizations.

Claims: All sorts of claims by or against the company are recognized as and when acknowledged / accepted / settled / received.

1.8 Employee Benefits

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

Contribution to defined schemes such as Provident Fund and ESI is recognized on accrual basis.

Leave encashment is accounted for on accrual basis.

No Actuarial Valuation has been done by the Company hence no provision has been made by the Company towards its Gratuity Liability.

Performance based declared ex-gratia & accretion thereto is provided in the Statement of Profit and Loss and to be disbursed as per the policy framed by the management.

1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to Statement of Profit and Loss account in the year in which they are incurred.

1.10 Provision for Current and Deferred Tax

Income Tax liability is ascertained on the basis of assessable income computed in accordance with the Provisions of Income Tax Act, 1961 enacted in India & tax laws prevailing in the respective tax jurisdictions where the Group operates.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

1.11 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event and it is possible that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

No provision is made for contingent liabilities, which are contingent in nature, but if material, these are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Prudential Sugar Corporation Limited



CONSOLIDATED

CIN: L15432TG1990PLC032731

Note No. 26

Notes To The Account

Contingent Liabilities

1. Company has entered into a Settled Agreement with Ashok Leyland Finance Ltd for Rs. 28.52 Lacs payable in 3 instalments . Out of the said settled amount company has already paid a sum of Rs. 20.00 Lacs. The Company has requested further time for payment of balance amount and the same is under consideration of M/s Ashok Leyland Finance Ltd . In case of failure an additional amount of Rs. 17.05Lacs(P.Y 17.05 Lacs) to be further provided in the Books of Account. (as on date status to be ascertained)
2. Claims of Rs. 22.08 Lacs(P.Y. Rs. 22.08 Lacs) by Sobhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh. (as on date status to be ascertained)
3. Sales Tax claim of Rs. 22.80 Lacs (P.Y. 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.YRs. 11.65 lacs) against above claim which is shown as deposit receivable in the books of accounts. (as on date status to be ascertained)
4. The Company has issued 16% Cumulating 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. 8.0 Lacs. The company has also issued 16% Cumulative Redeemable Preference Shares for Rs. 400.0 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 is to be ascertained in terms of the modified SEBI rules.
5. Disputed claim of penal charges on delayed payment of Provident Fund Rs. 9.87 Lacs (P.Y Rs.9.87 Lacs) (as on date status to be ascertained)
6. Income Tax Claim of Rs. 70.76 Las for A.Y 2013-14 against which appeal is pending with Appellate Authority . The company has paid Rs. 10.62 Lacs against above claim. (as on date status to be ascertained)
7. Income Tax Demand of Rs.20.95 Crores has been disputed by the Company for the Assessment year 2017-18 and an Appeal is pending ITBA/AST/S/143 (3)/2020-2011022926340.
8. 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 these are stated at the realizable / payable amount.

Actuarial Valuation of Gratuity has not been done by the Company and hence no Gratuity Liability has been provided in the Books of Account.

Auditors Remuneration Represents:	31.3.2020	31.3.2019
	Rupees	Rupees
Statutory Audit Fees	40,000	25,000
Tax Audit Fees	25,000	15,000

There are no Micro and Small Enterprises to whom the Company owes any amount which are outstanding as at March 31, 2020

The Company operates in only one Segment Sugar and therefore the figures given relates to one Segment.

Prudential Sugar Corporation Limited



Disclosures in respect of Accounting Standard (AS)-18 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

Related Party Disclosures

Key managerial Personnel

Sri Vinod Baid.

Name of the Party

Sri Venkateswara Sugar & Industries Pvt Ltd

Nature of Relationship

Common Director

Previous Year figures have been regrouped / rearranged wherever found necessary.

For and on behalf of the Board

As per our report of even date

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

For R Pugalia & Company
Chartered Accountants
Firm Regn. No. 318188E

Place : Hyderabad
Date : 14.08.2020

Anit Surana
Chief Financial Officer

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972



Go Green Initiative

Dear Shareholder,

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

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

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

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

GO GREEN FORM

To
PRUDENTIAL SUGAR CORPORATION LIMITED

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

Fields marked with * are compulsory

Name of Shareholder(s)* : _____

Folio No.* : _____

No. of Shares held as on Date* : _____

E-mail ID (Permanent)* : _____

E-mail ID (Alternative) : _____

Contact No. (Mobile)* : _____

Contact No. (Fixed Line)* : _____

Signature : _____

Prudential Sugar Corporation Limited



PRUDENTIAL SUGAR CORPORATION LIMITED

Regd. Office: "Akash Ganga", Plot No. 144, 4th Floor, Srinagar Colony, Hyderabad - 500 073. Telangana

Registration of e-mail address for future communication

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

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

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

Dear Sir,

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

Folio No. _____ DP ID No.* _____ and Client ID No.* _____

*Applicable for members holding shares in electronic form.

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

Date:

Place:

Signature: _____
(Sole / First Shareholder)

Note:

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

PRINTED MATTER

If undelivered, please return to:



Prudential Sugar Corporation Limited

Regd. Office: "Akash Ganga", Plot No. 144, 4th Floor
Srinagar Colony, Hyderabad - 500 073. Telangana State