

**23rd Annual Report
2013-2014**



Prudential Sugar Corporation Limited

Prudential Sugar Corporation Limited



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Sri Sandeep Daga	—	Company Secretary
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AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

FACTORY

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

DEPOSITORY REGISTRAR

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

**NOTICE**

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri Vinod Kumar Baid (DIN: 00010142), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Kurra Subba Rao (DIN: 02552019), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S), Hyderabad recommended by the Audit Committee of the Board of Directors, be and are hereby re-appointed as Statutory Auditors of the Company for a period of three financial years i.e., to hold office from the conclusion of this Annual General Meeting till the conclusion of 26th Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. Appointment of Shri Y Ravinder Reddy (DIN: 00011040) as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Y Ravinder Reddy (DIN: 00011040), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”

6. Appointment of Shri Kishore Jhunjhunwala (DIN: 00035091) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Kishore Jhunjhunwala (DIN: 00035091), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”



7. Appointment of Shri Maheswaran Nair Paramupillai (DIN: 00278909) as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Maheswaran Nair Paramupillai (DIN: 00278909), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”
8. Appointment Ms. Sadhana Bhansali (DIN: 06962425) as an Independent Director of the Company
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Sadhana Bhansali (DIN: 06962425), who is liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 28th Annual General Meeting of the Company in the calendar year 2019.”
9. Appointment of Branch Auditors
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 143 (8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof), M/s Sibsankar & Associates, Chartered Accountants (Firm Registration Number: 323691E) be and are hereby appointed as Branch Auditors of the Company to audit the accounts of the Company's branches/offices in India and to hold office from the conclusion of this Annual General Meeting (AGM), for three consecutive years until the conclusion of the 26th Annual General Meeting of the Company (subject to ratification by the members at every AGM) on a remuneration including terms of payment to be fixed by the Board of Directors of the Company.”
10. Increase in Borrowing powers of the Company
To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:
“RESOLVED THAT subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or



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

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

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

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

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

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

12. Retirement of Director

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

Prudential Sugar Corporation Limited



an Ordinary Resolution:

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

By Order of the Board of Directors

Place : Hyderabad
Date : 14.08.2014

VINOD BAID
Chairman

NOTES

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

By Order of the Board of Directors

Place : Hyderabad
Date : 14.08.2014

VINOD BAID
Chairman

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

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

Item No. 2

S.No.	Particulars	Sri Vinod Baid
1.	Age	54 years
2.	Date of Appointment	04.09.2001
3.	Qualification	B.Com., FCA and MIIA (USA)
4.	Experience	After practicing as a Chartered Accountant for five years, he successfully carried on the business of stock broking and Merchant Banking. Then he ventured into the manufacturing industry and pioneered many industries under his able leadership. He is having wide knowledge of Industry, trade, finance, legal, banking, capital market etc.
5.	Other Directorships	Prudential Tirumala Sugars Limited Prudential Infotech Limited Premier Fiscal Services Limited Sri Venkateswara Sugar & Industries Limited
6.	Chairman/Member of the Committees of the Board of other Companies on which he is a Director	Nil

Item No. 3

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

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

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

Item No. 6

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

Prudential Sugar Corporation Limited**Item No. 7**

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

Item No. 8

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

**Explanatory Statement under Section 102(1) of the Companies Act, 2013****Item Nos. 5, 6 and 7**

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

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

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

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

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

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

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

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

Item No. 8

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

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

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

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

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