

**25th Annual Report
2015-2016**



Prudential Sugar Corporation Limited

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BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

STATUTORY AUDITORS

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

BRANCH AUDITOR

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

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

REMUNERATION AND NOMINATION COMMITTEE

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

EXECUTIVE OFFICER

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

FACTORY

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



NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Prudential Sugar Corporation Limited will be held on Friday, the December 30, 2016 at 11:00 AM at HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2016 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary resolution.

“RESOLVED THAT the audited accounts of the Company containing the Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss for the year ended 31st March, 2016 together with their annexures and the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted.”

2. To appoint a director in the place of Mr. Vinod Baid (DIN 00010142), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. Vinod Baid (DIN: 00010142) be and is hereby re-appointed as a director liable to retire by rotation.

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at the Annual General Meeting held on September 30, 2014, the appointment of M/s. Laxminiwas & Jain, Chartered Accountants (Firm Registration No.001859S), Hyderabad, who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 26th AGM, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

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

SPECIAL BUSINESS:

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

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

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



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

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

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

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

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

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

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

5. To ratify the remuneration payable to the Cost Auditors and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.75000/- excluding reimbursement of actual travel and out of pocket expenses and applicable taxes payable to M/s. N. S. V. KRISHNA RAO & CO., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No. 101516), to conduct the audit of cost records of the company for the financial year ending March 31, 2016.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Vinod Baid
Chairman
(DIN 00010142)

Place : Hyderabad
Date : 02.12.2016



NOTES

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

Prudential Sugar Corporation Limited



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

13. Electronic copy of the Annual Report for the financial year 2015-16 along with the Notice of the 25th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for the financial year 2015-16 along with Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
14. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website www.prudentialsugar.com and on the website of the Registrar www.rdinfotech.org for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on all working days. Even after registering for e communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: psclsugar@gmail.com.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant
16. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically
17. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the Company during normal business hours on all working days.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
19. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.



Voting through electronics means:

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

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

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or www.prudentialsugar.com

The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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

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

General instructions:

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



- a. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd of December, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- b. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- c. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- d. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd of December, 2016
- e. Ms. Sweety Kapoor, Practicing Company Secretary, has been appointed by the Company to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
- f. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- g. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- h. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., www.prudentialsugar.com and on the website of NSDL after AGM.
All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to date of declaration of the result of the 25th Annual General Meeting of the Company.

Other information:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF,
ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.



EXPLANATORY STATEMENT

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

Item No. 3

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

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

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

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

Item No. 4

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

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

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors for the Financial Year 2016-17 on remuneration as detailed in the resolution.

In accordance with the provisions of Section 148 of the Act, 2013 and the Rules made there under, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution proposed in Item No.5.