27th Annual Report
2017-18



Prudential Sugar Corporation Limited

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*

REMUNERATION AND NOMINATION 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*

EXECUTIVE OFFICERS

Mr. K. Subba Rao —*Whole Time Director*
Mr. Anit Surana —*Chief Financial Officer*
Mr. Sandeep Daga —*Company Secretary*

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

RBM & Associates
Company Secretaries

REGISTRAR & SHARE TRANSFER AGENTS

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

COST AUDITOR

M/s. N.S.V. Krishna Rao & Co.
Cost Accountant

REGISTERED OFFICE

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

BANKERS

Bank of Maharashtra
IndusInd Bank

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of Prudential Sugar Corporation Limited will be held on Saturday, the 30th March, 2019 at 11:30 AM at its Registered Office at "Akash Ganga", Plot No. 144, 4th Floor, Srinagar Colony, Hyderabad - 500 073,Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements for the Financial Year ended March 31, 2018 together with the Reports of the Directors and Auditors thereon and in this regard, to pass the following Resolution as Ordinary Resolution:

   "RESOLVED THAT the audited accounts of the Company containing the Balance Sheet as at and the Statement of Profit & Loss for the year ended March 31, 2018 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. Kurra Subba Rao (DIN: 02552019), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following Resolution as Ordinary Resolution:

   "RESOLVED THAT Mr. Kurra Subba Rao (DIN: 02552019) be and is hereby re-appointed as a director liable to retire by rotation."

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

Place : Hyderabad
Date : 01.03.2019

Sandeep Daga
Company Secretary

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 on 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 March 26, 2019 to March 30, 2019 (both days inclusive).
10. 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 for a period of 5 years.
11. 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.
12. 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.

13. 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 form are requested to notify changes in their respective address/ Bank Mandate/ National Electronic Clearing Service (NECS) details, if any, to Company's Registrar i.e. R&D Infotech (P) Ltd., 1st Floor, 7A, Beltala Road, Kolkata - 700 026. Beneficial owners holding shares in electronic form are requested to intimate change in address/ Bank Mandate/National Electronic Clearing Service (NECS) details, if any, to their respective Depository Participants (DP). Members are requested to register/update their e-mail addresses with the Registrar in case of shares held in physical form and with their respective Depository Participants in case shares are held in electronic form
14. Electronic copy of the Annual Report for the financial year 2017-18 along with the Notice of the 27th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose e-mail 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 copies of the Annual Report for the financial year 2017-18 along with Notice of the 27th 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.
15. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for the financial year 2017-18 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 e-mail id: **pscl.secretarial@gmail.com**
16. 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.
17. With a view to using natural resources responsibly, we request the shareholders to update respective e-mail addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
18. 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.
19. To support the 'Green Initiative' the members who have not registered their e-mail addresses are requested to register the same with M/s. R&D Infotech (P) Ltd.
20. 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.
21. 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 cast 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 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 process 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 March 27, 2019 (9:30 am) till March 29, 2019 (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 March 27, 2019 (9:30 am) till March 29, 2019 (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. September 19, 2018 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 March 23, 2019.

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, after the conclusion of voting at the general meeting, shall 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 27th 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.

APPEAL TO MEMBERS

The Company would like to appeal and encourage its members to hold their shares in Dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat/Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat mode. The detailed procedure of Dematerialization of Shares is also given on the website of the Company under Investor Relations Section. The members may also get in touch with M/s. R&D Infotech (P) Ltd., our Registrar and Share Transfer Agent.

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

Place : Hyderabad
Date : 01.03.2019

Sandeep Daga
Company Secretary

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

Name of the Director	Mr. Kurra Subba Rao
DIN	02552019
Date of Birth	05.06.1949
Age	68 years
Qualification	B.Tech. (Mech.), B.O.E.
Experience	He has vast experience in sugar business and various other Industries
Relationship with other director/ Manager and other KMP	No relationship
No. of Shares held	—
Directorships of other Board	1
Membership/Chairmanship of Committees of other Board	1

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

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

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

Place : Hyderabad
Date : 01.03.2019

Sandeep Daga
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2018.

Financial Results

The performance for the Financial Year ended March 31, 2018 is as under: **(Rs. in Lakhs)**

	Standalone		Consolidated	
	31.03.2018	31.03.2017	**31.03.2018**	31.03.2017
Total Income	**3217.43**	7377.84	**3217.43**	7377.84
Profit/(Loss) before Interest & Depreciation	**5298.95**	174.24	**5401.79**	174.24
Less: Interest	**0.64**	0.13	**0.64**	0.13
Profit/(Loss) after Interest but before Depreciation & Tax	**5298.31**	174.11	**5401.15**	174.11
Less: Depreciation	**—**	219.48	**—**	219.48
Profit/(Loss) before tax	**5298.31**	(45.37)	**5401.15**	(45.37)
Provision for Tax:				
- Taxation for earlier year	**—**	—	**—**	—
- Current	**—**	—	**26.48**	—
- Deferred Tax Asset	**—**	—	**—**	—
Profit/(Loss) after Tax and Dividend	**5298.31**	(45.37)	**5374.67**	(45.37)
Add: Balance brought from previous year	**(1994.22)**	(1948.85)	**(2121.78)**	(2076.41)
Surplus/(Loss) carried to Balance Sheet	**3304.09**	(1994.22)	**3247.61**	(2121.78)

State of the Company's Affairs

During the Financial Year, 2017-18 the Company has off-loaded its sugar business and as such, there are no production operations relating to manufacture of sugar. However, during its last season of crushing 2016-17, the Company had crushed 247810 MTs of cane with an average recovery of 8.25%.

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, 2018 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 2017-18, there was no change in paid up share capital of the Company. Paid up share capital of the Company as on March 31, 2018 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 Equi pref Shares of Rs.40 each)

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

(Rs.10 converted into Equity)

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

Buy Back of Securities

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

Sweat Equity

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

Bonus Shares

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

Employees Stock Option

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

Dividend

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

Transfers to Reserves

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

Fixed Deposits

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

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 31.03.2018.

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

Calcutta Stock Exchange, 7, Lyons Range, Kolkata - 700 001.

Madras Stock Exchange - Exchange has been closed down and is not operational now.

Ahmedabad Stock Exchange - Exchange has been closed down and is not operational now.

The Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2017-18.

Subsidiaries, Associates and Joint Venture

During the financial year 2017-2018, your company has 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 10 times during the financial year from April 1, 2017 to March 31, 2018, 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 14.02.2018, 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 for the first three quarters of the FY 2017-18 and on and from the period ending March 31, 2018, 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 **http://www.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, 2018 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, 2018 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 applications and disclosure requirements) Regulations, 2015, the management discussion and analysis statement 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, Mr. Kishore Jhunjhunwala, Mr. Kurra Subba Rao

- Brief description of terms of reference:
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- carry 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, 2018 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 2017-18 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as **Annexure - 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 Cos (Accounts) Rules Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

A. Criteria for evaluation of Board of Directors as a whole
   i. The frequency of meetings;
   ii. The length of meetings;
   iii The administration of meeting;
   iv The number of committees and their roles;
   v. The flow of information to board members and between board members;
   vi. The quality and quantity of information; and
   vii. The Disclosure of Information to the stakeholders.

B. Criteria for evaluation of the Individual Directors
   i. Ability to contribute and monitor corporate governance practices;
   ii. Ability to contribute by introducing best practices to address top management issues;
   iii. Participation in long term strategic planning;
   iv. Commitment to the fulfillment of director obligations and fiduciary responsibilities;
   v. Guiding strategy;



vi. Monitoring management performance and development;
vii. Statutory compliance & Corporate governance;
viii. Attendance and contribution at Board /Committee meetings;
ix. Time spent by each of the member; and
x. Core competencies.

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

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

Based on the confirmations received from Director, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013. However, Mr. Vinod Baid, Director, informed the Board that he continues to remain disqualified as a Director, as disclosed in the Anual Report for the year ended March 31, 2018, pursuant to Notice dated 21.07.2017 issued by the Registrar of Companies striking off the name of Sri Venkateswara Sugar Industries Pvt. Ltd., in which he was one of the only two Directors. He also informed the Board that the said Order of the RoC was challenged before the competent Court of Law for revival of his Directorship and that the outcome was awaited.

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.318188E) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 26th AGM held in the year 2017, 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 27th September, 2018.

Qualification by Statutory Auditors

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

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

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

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

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. RBM & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2017-18.

Board Response:

Due to the management dispute marked by the ROC the Company could not file certain forms.

However, the Company had been in the process to file all the Forms with ROC.

Internal Auditors

In pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, the Board of Directors of the Company has assigned the function of Internal Audit to an independent firm of Chartered Accountants to carryout Internal Auditing of books of accounts periodically which are placed before the Audit Committee for review at its meetings.

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., practicing Chartered Accountants and the report on Corporate Governance form part of this Directors' Report.

Vigil Mechanism

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

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

Secretarial Auditor Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed M/s RBM & Associates, Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the company for the Financial year ended on March 31, 2018.

Secretarial Audit Report issued by M/s 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

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

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

As disclosed in the Directors' Report in the Balance Sheet for the previous Financial Year ended March 31, 2017, 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 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 consequntial acts relating to the postal ballot. While the IA 2074 was disposed off in favor of the Company, the Main Suit is presently pending disposal before the Hon'ble Court.
2	OP 2956/2014	Mr. Ch. Krishna Murthy filed a petition u/s 9 of Arbitration Act before the XXV Additional Chief Judge, City Civil Court, Hyderabad, seeking direction from the Hon'ble Court to appoint a Receiver/Auditor to protect his alleged investment in the Company. The matter is pending before the Hon'ble Court.
3.	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 before the Tribunal for hearing 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.
2	OS 4715/2015	The Company has filed the said Suit against Teja Charities, Tirupati in which Mr. Ch. Krishna Murthy is interested, before the Hon'ble Chief Judge, City Civil Court, Hyderabad seeking decree for a sum of Rs.1.00 crore being the loan given by the Company to Teja Charities along with interest. The case is presently pending before the Hon'ble Court.
3	WP 23442/2015	The Company filed the said WP against IFCI and Sri Venkateshwara Sugar Industries Private Limited before the Hon'ble High Court of Judicature at Hyderabad, seeking direction to IFCI to release the original Title documents of the Company in terms of IFCI's letter of settlement of dues cleared by Sri Venkateshwara Sugar Industries Private Limited, as the Assignee of the said debt. The case is presently pending before the Hon'ble Court.
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 31st March, 2018, the Company has not received any Complaints pertaining to Sexual Harassment.

Listing Agreement

The Company entered into a Listing Agreement with BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review.

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 2018.

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**

	K. Subba Rao	**Y. Ravinder Reddy**
Place : Hyderabad	Whole Time Director	Director
Date : 01.03.2019	(DIN 02552019)	(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, 2018, 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 year ended March 31, 2018 which were at arm's length.

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, 2018
Used	NIL
Earned	NIL

ANNEXURE - III

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2018

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

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

To,

The Members,
Prudential Sugar Corporation Ltd.
CIN: L15432TG1990PLC032731
"Akash Ganga"
Plot No. 144, 4th Floor
Srinagar Colony, Hyderabad 500073.

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

Based on our verification of **M/s. Prudential Sugar Corporation Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, 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 March 31, 2018 according to the provisions of:

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **;**

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

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

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

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

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

6. **Other laws applicable specifi- cally to the Company namely:**

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

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

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

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

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

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

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

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

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

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

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

For **RBM & Associates**
Company Secretaries

Date : Hyderabad
Place: 01.08.2018

Radhaballav Mandal
M.No.F8182

"ANNEXURE – 1"

(THE SECRETARIAL AUDIT REPORT OF M/S PRUDENTIAL SUGAR CORPORATION LIMITED FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018)

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

For **RBM & Associates**
Company Secretaries

Date : Hyderabad
Place: 01.08.2018

Radhaballav 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: 2017-18 : 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 2017-18

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 Jhunjhunwala	NA
5	Ms. Sadhana Bhansali	NA
6	Mr. Anit Kumar Surana, CFO	NIL
7	Mr. Sandeep Kumar Daga, Company Secretary	NIL

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

** There was no increase in Remuneration paid to Whole Director Chief Financial Officer, and Company Secretary during the Financial Year ended March 31, 2018.

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, 2018.

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

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

S. No.	Name & Designation	Remuneration Received	Nature of Employment	Qualifi-cations and experi-ence of the employee	Date of commence-ment of employment	Age	Last employment held before joining the company	% of Equity Shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the company
1	Mr. K.Subba Rao Whole Time Director	Rs.1,351,600	Contractual	B.Tech. (Mech.), BOE 38 years	17.05.1995	67 years	Nizam Sugars Ltd.	Nil	None
2	Mr. Anit Kumar Surana* Chief Financial Officer	Rs.220,500	Permanent	B.Com., 17 years	01.09.2017	45 years	Falma Lab	Nil	None
3	Mr. Sandeep Kumar Daga Company Secretary	Rs.1,200,000	Permanent	B.Com., ACS 23 years	20.04.2013	45 years	Prudential Management and Advisors Ltd.	Nil	None

*Appointed as CFO on 01.09.2017

ANNEXURE – V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2017-18

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 new 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 organisation 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
for **Prudential Sugar Corporation Limited**

K. Subba Rao
Whole Time Director
(DIN 02552019)

Place : Hyderabad
Date : 01.03.2019

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, 2018, the Board of Directors ("Board") comprises of Five Directors, of which 1 is Executive 1 is Non-Executive Directors, 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 Jhunjhunwala	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.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on March 31, 2018 is given below:

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

Notes:

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

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

b) **Board Procedure:**

During the year under review Board met Ten times on 15.04.2017, 13.05.2017, 30.05.2017, 28.08.2017, 14.09.2017, 16.10.2017, 14.12.2017, 30.12.2017, 14.02.2018 and 27.02.2018. 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 March 31, 2018
	Held	Attended	
Mr. Vinod Kumar Baid	10	—	Yes
Mr. Kurra Subba Rao	10	9	Yes
Mr. Y. Ravinder Reddy	10	10	Yes
Ms. Sadhana Bhansali	10	5	No
Mr. Kishore Jhunjhunwala	10	5	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 March 31, 2018 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 March 31, 2018. The previous Annual General Meeting ("AGM") of the Company was held on March 31, 2018 and was attended by Mr. Y. Ravinder Reddy, Chairman of the audit committee.

* Audit Committee meetings :

- Four Audit Committee Meetings were held during the year ended March 31, 2018. 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, 2017, September 14, 2017, December 14, 2017 and February 14, 2018.

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

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

b. **Nomination and Remuneration Committee**

* Composition:

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

* Composition of the Committee is given below:

Name of the Director	Designation
Mr. Y. Ravinder Reddy	Chairman
Ms. Sadhana Bhansali	Member
Mr. Kurra Subba Rao	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, 2017 to March 31, 2018, Nomination and Remuneration Committee Meetings were held on May 30, 2017, September 14, 2017, December 14, 2017 and February 14, 2018.

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. Kurra Subba Rao	Member	4	4
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, 2017.

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

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

Name of the Director and Designation	Salary Rs.	Benefits Rs.	Bonuses Rs.	Pension Rs.	Commission Rs.	Service Contracts	Notice Period	Total Rs.
K. Subba Rao	13,20,000	22,100	9,500	-	-	-	As per the Rules of the Company	13,51,600

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, 2018 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

* 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.:
  - Complaints received from 4 shareholders in the previous years are pending before various courts.
  - Number of complaints not resolved to the satisfaction of shareholders is Nil.

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the companies 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

Stake Holders Relationship Committee Meetings during the year were held on 30.05.2017, 14.09.2017, 14.12.2017 and 14.02.2018.

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 Jhunjhunwala	Independent & Non-Executive Director	4	2
Mr. Kurra Subba Rao	Executive Director	4	4

4. **GENERAL BODY MEETINGS:**

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

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

Financial Year ended	Date	Time	Venue
31.03.2015	28.12.2015	02.00 PM	HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094
31.03.2016	30.12.2016	11.00 AM	HMT Bearings Officers' Colony Community Function Hall, IV Avenue Road, Sainikpuri, Hyderabad - 500 094
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. 26th Annual General Meeting – March 31, 2018 - NIL
  ii. 25th Annual General Meeting – December 30, 2016

Appointment of Whole Time Director:

Special Resolution was passed pursuant to the provisions of Sections 196, 197, 203, 310 and read with Schedule V and appointed Mr. Kurra Subba Rao as Whole Time Director of the company w.e.f. 02.09.2016 for the period of 3 Years.

iii. 24th Annual General Meeting – December 28, 2015 - NIL -

5. **DISCLOSURES:**

a. **Related party transactions**

During the year ended March 31, 2018, 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, 2018.

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 March 31, 2018 as required by SEBI (Listing Obligations and Disclosures Requiement) Regulations, 2015, and is separately **annexed.**

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

During the year ended March 31, 2018, 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 2017-18. 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, 2018 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. 18,632,389 equity shares representing 52.12% of paid up the equity capital have been dematerialized as on March 31, 2018.

k. **Details about familiarization of programme**

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

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

Website: **www.prudentialsugar.com** Investor Relations

l. **Related Party Transactions policy.**

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	:	27th Annual General Meeting
	Date	:	30.03.2019
	Time	:	11:30 a.m.
	Venue	:	"Akash Ganga", Plot No.144, 4th Floor, Srinagar Colony, Hyderabad - 500 073
b.	Dates of Book Closures	:	March 26, 2019 to March 30, 2019 (both days inclusive)
c.	Dividend Payment Date	:	-NIL-

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

Name and Address of the Stock Exchange	Scrip Code
BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai - 400 001. (presently under suspension)	500342

The listing fee for the year 2018-19 has been paid to the above stock exchanges.

e. Market Price Data: High and low during each month from April 1, 2017 to March 31, 2018. : Not Applicable since the trading is under suspension.

f. Registrar & Share Transfer Agents:

(for Shares held in both Physical and Demat mode)

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

g. Share transfer System and Dematerialization of Shares:

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

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

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

h. Distribution of Share holding

Table - I (Distribution of holdings)

Share holding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10357	89.31	20816500	5.82
5,001 —	10,000	546	4.71	4628950	1.29
10,001 —	20,000	313	2.70	4825290	1.35
20,001 —	30,000	79	0.68	2008160	0.56
30,001 —	40,000	81	0.70	3087500	0.86
40,001 —	50,000	35	0.30	1683990	0.47
50,001 —	1,00,000	89	0.77	7082460	1.98
1,00,001	and above	97	0.84	313387150	87.66
Grand Total		11597	100.00	357520000	100.00

i. **Shareholding Pattern**

	Category	No. of shares held	Percentage of shareholding
1	Promoters/Directors/ Associates	21117806	59.07
2	Mutual Funds and UTI	341500	0.96
3	Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	12900	0.04
4	FIIs	—	—
5	Private Corporate Bodies	7267864	20.33
6	Indian Public	7011930	19.61
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).

18632389 equity shares were dematerialized representing 52.12% of the total paid up equity share capital of the Company as on March 31, 2018.

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

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

K. Subba Rao
Whole Time Director
(DIN 02552019)

Place : Hyderabad
Date : 01.03.2019

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	94,911,319
6.	Total assets	600,373,500
7.	Total Liabilities	600,373,500
8.	Investments	Nil
9.	Turnover	39,951,809
10.	Profit / (Loss)before taxation	Nil
11.	Provision for taxation	2,648,182
12.	Profit / (Loss) after taxation	7,636,019
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 ventures which have been liquidated or sold during the year – Nil.

Declaration by Chairman and Executive Director on Code of Conduct under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

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, 2018.

By Order of the Board
for **Prudential Sugar Corporation Limited**
K. Subba Rao
Whole Time Director
(DIN 02552019)

Place : Hyderabad
Date : 01.03.2019

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, 2018. 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 : 30.05.2018

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, 2018 and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
d. We have indicated to the Auditors and the Audit Committee that there are no:
   i. significant changes in internal control over financial reporting during the year;
   ii. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For **Prudential Sugar Corporation Limited**

Place : Hyderabad
Date : 30.05.2018

K. Subba Rao
Whole Time Director

Anit Surana
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To
The Members,
PRUDENTIAL SUGAR CORPORATION LIMITED
Hyderabad

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Prudential Sugar Corporation Limited ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

a. In case of Balance Sheet of the state of affairs of the Company as at March 31, 2018 and its profit and its cash flows for the year ended on that date.

b. In case of Statement of Profit and Loss of the Profit of the Company as at March 31, 2018

c. In case of Cash Flow Statement of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2018 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of 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 2018 taken on record by the Board of Directors, none of the directors other than Mr. Vinod Baid having DIN No. 00010142 is disqualified as on 31 March 2018 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 B"; and

   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 to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company is not required to transfer, to the Investor Education and Protection Fund by the Company.

iii. The Company had sold its entire Fixed Assets including Plant & Machinery during the year as slump sale.

iv. As per the Directives of the XXV Additional Chief Justice City Civil Count Hyderabad the Company has deposited a sum of Rs 25.00 Cr. with Ld. Court as security till the settlement of a case filed by a Shareholder against the Company opposing the sale of Fixed Assets..

v. The Company did not redeem the 16% Redeemable Cumulative Preference Shares as per the terms of issue and did not provide for arrears of dividend thereon Refer Note No. 23(4) , The impact of which is that the Current Liabilities are understated by Rs. 8.00 lacs and the Capital is overstated by the same amount.

vi The Company has not accounted for the provisions for retirement benefits as per AS-46 the impact of which is unascertained.

vii. The Balance of Secured Loans Unsecured Loans Advances Other Current Asset and Liabilities are subject to confirmation/ reconciliation.

viii. Previous year figures have been regrouped / rearranged wherever found necessary.

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

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Hyderabad
Date : 30.05.2018

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2018, we report that:

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

b. The Company has sold its entire Fixed Assets during the year as a Slump Sale.

c. The Company now does not hold any immovable property in its name.

ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year before such sale.

b. The Company has disposed off its entire Stock during the year.

c. The Company is maintaining proper records of inventory and no material discrepancy between physical and book records were noticed by us during on physical verification.

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').

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. According to information and explanations given to us , during the year the Company has not accepted fresh deposit, however a sum of Rs. 1.12 crores accepted in earlier years is outstanding for which necessary compliance are yet to be done.

vi. We have broadly reviewed the books of accounts pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company and are of the opinion that they have been properly maintained.

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 subject to note no. 23(3) & 23(6).

viii. During the year the Company has duly accounted in his books, the amount payable to the IIBI which was later taken by the Edelweiss Assets Management Company Limited (EAMCL) and the same was assigned by EAMCL in favour of M/s VAB Ventures Ltd., on agreed terms. The amount payable to the IFCI was assigned in favour of M/s Shree Venkateswara Sugar Industries Private Limited (SVSIPL) and same has also been duly accounted on agreed terms.

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.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

We have audited the internal financial controls over financial reporting of Prudential Sugar Corporation Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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



1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. 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
3. 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.

Inherent 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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.

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

Place : Hyderabad
Date : 30.05.2018

Rajeev Kumar Pugalia
Proprietor
M.No. 053972



CIN: L15432TG1990PLC032731 *STANDALONE*

BALANCE SHEET AS AT 31st MARCH, 2018

PARTICULARS	Notes	As at 31.03.2018 In Rupees	As at 31.03.2017 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	**1**	**372,070,000**	372,070,000
Reserves and surplus	**2**	**396,909,496**	(131,531,304)
		768,979,496	240,538,696
2. Non-current liabilities			
Long-term borrowings	**3**	**1,127,000**	1,127,000
Other Long term liabilities		**—**	–
Long-term provisions	**4**	**—**	8,021,230
		1,127,000	9,148,230
3. Current liabilities			
Short-term borrowings	**5**	**59,372,731**	190,005,254
Trade payables	**6**	**—**	219,217,727
Other current liabilities	**7**	**208,500,039**	918,331,372
		267,872,770	1,327,554,353
TOTAL (of 1,2,3)		**1,037,979,266**	1,577,241,278
II. ASSETS			
Non-current assets			
1. Fixed assets	**8**		
Tangible assets		**—**	220,378,744
Intangible assets		—	—
Capital work-in-progress		—	241,800,536
Non-current investments	**9**	**31,527,305**	255,528,005
Deferred tax assets (net)		**152,594,001**	153,984,426
		184,121,306	871,691,711
2. Current assets			
Inventories	**10**	**—**	375,830,018
Trade receivables	**11**	**—**	36,108,418
Cash and cash equivalents	**12**	**12,972,469**	64,932,107
Short-term loans and advances	**13**	**840,885,491**	228,679,025
		853,857,960	705,549,568
TOTAL (of 1,2)		**1,037,979,266**	1,577,241,278
III. SIGNIFICANT ACCOUNTING POLICIES	**22**		
NOTES TO ACCOUNTS	**23**		

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

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

Anit Surana
Chief Financial Officer

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

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972

Place : Hyderabad
Date : 30.05.2018



CIN: L15432TG1990PLC032731 *STANDALONE*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Notes	**Year ended 31.03.2018 In Rupees**	Year ended 31.03.2017 In Rupees
I. Income			
Revenue from operations	**14**	**321,743,573**	737,783,517
Less: Excise Duty		**16,481,658**	42,164,078
		305,261,915	695,619,439
Other income	**15**	**469,089,342**	4,969,062
Total Revenue (I)		**774,351,257**	700,588,501
II. Expenses:			
Cost of materials consumed	**16**	**—**	625,778,611
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	**17**	**306,649,881**	(129,245,695)
Employee benefits expense	**18**	**17,115,605**	92,256,531
Finance costs	**19**	**64,379**	13,061
Depreciation and amortization expense	**20**	**—**	21,947,592
Other expenses	**21**	**205,418,566**	94,375,368
Total Expenses (II)		**529,248,431**	705,125,468
Profit before Exceptional, Extraordinary items & Tax		**245,102,826**	(4,536,967)
Add: Exceptional Items		**284,728,399**	—
Tax of Earlier Years		**—**	—
Less: Deferred Tax Assets		**—**	(1,390,425)
Profit / (Loss) for the year from continuing operations		**529,831,225**	(3,146,542)
Earnings per equity share:			
Basic		**15.98**	(0.094)
Diluted		**15.98**	(0.10)
III. SIGNIFICANT ACCOUNTING POLICIES	**22**		
NOTES TO ACCOUNTS	**23**		

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

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

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

Place : Hyderabad
Date : 30.05.2018

Anit Surana
Chief Financial Officer

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972



CIN: L15432TG1990PLC032731 *STANDALONE*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

	31.03.2018	31.03.2017
	(Rs. in lakhs)	*(Rs. in lakhs)*
Cash flow from Operating activities		
Net Profit before Tax and Extraordinary items	5,298.31	(45.37)
Adjustments for :		
Depreciation	**—**	219.48
Interest paid	**0.64**	0.13
Other Income	**(4,690.89)**	(49.69)
Operating Profit before working capital changes	**608.06**	124.55
Adjustments for:		
Increase/(Decrease) in Trade Payables	**(2,192.17)**	(202.36)
(Increase)/Decrease in Inventories	**3,758.30**	(1,370.58)
(Increase)/Decrease in Trade Receivables	**361.08**	376.61
Increase/(Decrease) in Current Liabilities	**(7,178.52)**	4,129.35
Cash generation from operation	**(4,643.25)**	3,057.57
Cash flow from Investing Activities		
(Purchase)/Sale of Fixed Assets	**2,203.78**	(18.68)
Capital Work in Progress	**2,418.00**	(2,235.86)
Other Income	**4,690.89**	49.69
Net Cash Flow from Investing Activities	**9,312.67**	(2,204.85)
Cash flow from Financing activities		
Payment of Short Term Borrowings	**(1,306.32)**	245.40
Long Term Loans & Advances Given	**(6,122.06)**	(774.44)
Interest paid	**(0.64)**	(0.13)
Sale of Investments	**2,240.00**	
Net Cash flow from Financing Activities	**(5,189.02)**	(529.17)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**(519.60)**	323.55
Add: Opening Cash and Bank balance	**649.33**	325.78
Cash and Bank balance at the end of period	**129.73**	649.33

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

Anit Surana
Chief Financial Officer

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

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972

Place : Hyderabad
Date : 30.05.2018



CIN: L15432TG1990PLC032731

STANDALONE

	As at 31.03.18 In Rupees	As at 31.03.17 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.Redeemable Preference shares of Rs.50 each	**250,000,000**	250,000,000
	750,000,000	750,000,000
Issued		
a. 1,54,06,400 Equity shares of Rs.10 each	**154,064,000**	154,064,000
b. 1,00,00,000 Equity shares of Rs.10 each issued at a premium of Rs.10 each	**100,000,000**	100,000,000
c. 10345600 Equity Shares of Rs.10 each (Converted from 2586400 Equipref Shares of Rs.40 each)	**103,456,000**	103,456,000
d. 20000 16% Cum.Redeemable Pref. Shares of Rs.40 each (Rs.10 converted into Equity)	**800,000**	800,000
e. 1000000 16% Cum.Redeemable Pref.Shares of Rs.50 each (Redeemable at any time on or before 10/02/2006)	**50,000,000**	50,000,000
	408,320,000	408,320,000
Subscribed & Fully Paid up		
1,54,06,400 Equity shares of Rs.10 each	**154,064,000**	154,064,000
1,03,45,600 Equity shares of Rs.10 each (Converted from 2586400 Equipref Shares of Rs.40 each)	**103,456,000**	103,456,000
20,000 16% Cum.Redeemable Pref. Shares of Rs.40 each (Rs.10 converted into Equity)	**800,000**	800,000
65,000,00 Equity shares of Rs.10 each	**65,000,000**	65,000,000
	323,320,000	323,320,000
Subscribed but not fully Paid up		
35,000,00 Equity shares of Rs.10 each issued at a premium of Rs.10 each called up and paid up @ Rs.2.50	**8,750,000**	8,750,000
1000000 16% Cum.Redeemable Pref.Shares of Rs.50 each Rs.40 per share each called up and paid up	**40,000,000**	40,000,000
Total	**48,750,000**	48,750,000

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

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

S. No.	Name of Shareholder	**As at March 31, 2018** No. of Shares held	% of Holding	As at March 31, 2017 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

	As at 31.03.18 In Rupees	As at 31.03.17 In Rupees
2. RESERVES AND SURPLUS		
A. Capital Reseves		
Opening Balance	**1,500,000**	1,500,000
(+) Current Year Transfer	—	—
(-) Written Back in Current Year	—	—
Closing Balance	**1,500,000**	**1,500,000**
B. Securities Premium Account		
Premium @ Rs.10/- on 65,00,000 Equity Shares	**65,000,000**	65,000,000
C. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	**(199,421,729)**	(194,884,762)
(+) Net Profit/(Net Loss) For the current year	**529,831,225**	(3,146,542)
Closing Balance	**395,409,496**	**(133,031,304)**
Total	**396,909,496**	**(131,531,304)**
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. PROVISIONS (Long Term)		
a. Provision for employee benefits		
Superannuation (unfunded)	**—**	8,021,230
Total	**—**	8,021,230

	As at 31.03.18 In Rupees	As at 31.03.17 In Rupees
5. SHORT TERM BORROWINGS		
a. Loans and advances		
From Others	**11,200,000**	11,200,000
From Corporate	**48,172,731**	178,805,254
Total	**59,372,731**	190,005,254

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

6. TRADE PAYABLES		
Trade Payables	**—**	219,217,727
	—	219,217,727

7. OTHER CURRENT LIABILITIES		
a. Interest accrued but not due on borrowings	—	—
b. Accrued Salaries and Benefits	**310**	7,651,609
c. Statutory Dues	—	33,659,717
d. Others	**208,499,729**	23,506,562
f. Advance against purchase consideration	—	280,000,000
g. Advance others (Corporate)	—	573,513,483
Total	**208,500,039**	918,331,372

CIN: L15432TG1990PLC032731 ***STANDALONE***

8. FIXED ASSETS

(In Rupees)

Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2017	Additions/ Adj. during the year	As at 31.03.2018	As at 01.04.2017	During the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A. Tangible Assets								
Land	16,343,937	(16,343,937)	—	—	—	—	—	16,343,937
Building	157,717,744	(157,717,744)	—	95,312,969	—	95,312,969	—	62,404,775
Plant & Machinery	502,077,136	(502,077,136)	—	368,778,072	—	368,778,072	—	133,299,065
Furniture/Office Equipment	32,106,427	(32,106,427)	—	23,990,314	—	23,990,314	—	8,116,113
Vehicles	5,828,175	(5,828,175)	—	5,613,321	—	5,613,321	—	214,854
Total (A)	714,073,419	(714,073,419)	—	493,694,676	—	493,694,676	—	220,378,744
B Intangible Assets								
C Capital Work in Progress	241,800,536	(241,800,536)	—	—	—	—	—	241,800,536
Total	955,873,955	(955,873,955)	—	—	—	—	—	241,800,536
Previous Year	712,206,589	243,667,367	955,873,956	471,747,084	21,947,592	493,694,676	462,179,280	240,459,504

	As at 31.03.18 In Rupees	As at 31.03.17 In Rupees
9. NON-CURRENT INVESTMENTS		
Trade Investments (Valued at cost unless stated otherwise)		
Equity Shares (quoted)		
500 Shares of Rs.1/- each fully paid up in KCP Sugars Ltd.	**3,755**	3,755
50 Shares of Rs.10/- each fully paid up in The KCP Ind. Ltd.	**3,755**	3,755
100 Shares of Rs.10/- each fully paid up in Sakthi Sugars Ltd.	**4,495**	4,495
5 Shares of Rs.10 /- each fully paid up in Kothari Sugars & Chem Ltd.	**3,000**	3,000
100 Shares of Rs.10/- each fully paid up in Aruna Sunrise Hotels Ltd.	**2,000**	2,000
Equity Shares (Unquoted)		
a. 5,50,000 Equity Shares of Rs.10/- each fully paid up in Prudential Spinners Ltd.	**5,500,000**	5,500,000
b. 25,00,000 Preference Shares @ Rs 50/- each paid up in Prudential Ammana Sugars Limited	**—**	125,000,000
c. 12,50,000 Preference Shares @ Rs 100/- each paid up in Discovery Infoways Limited	**—**	125,000,000
d. Prudential Ammana Sugars Limited - Equity Shares	**25,999,300**	—
Other Investments		
National Savings Certificate (Deposited with Forest Department)	**11,000**	11,000
Total	**31,527,305**	255,528,005
10. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)		
a. Work-in-progress	**—**	2,590,000
b. Finished Goods	**—**	304,059,881
c. Stores and spares	**—**	68,983,868
d. Loose Tools	**—**	196,269
Total	**—**	375,830,018
11. TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)		
Unsecured, considered good for a period exceeding 6 months		
Others	**—**	36,108,418
Total	**—**	36,108,418
12. CASH AND BANK BALANCES		
a. Balances with banks*	—	—
On Current accounts	**472,469**	64,548,733
b. Cheques in Hand	**12,500,000**	**—**
c. Cash on hand*	—	383,374
Total	**12,972,469**	64,932,107

	For the year ended 31.03.18 In Rupees	For the year ended 31.03.17 In Rupees
13. SHORT TERM LOANS AND ADVANCES		
a. Loans and advances		
Unsecured, considered good	**148,948,973**	50,125,062
Doubtful	—	—
Less:Provision for doubtful loans and advances	—	—
	148,948,973	50,125,062
b. Others		
Loans and advances to employees	—	1,531,536
Prepaid Expenses	**559,975**	1,032,765
Balances with Statutory/Government Authorities and Judicial Courts	**281,714,682**	34,969,889
Others	**409,661,861**	141,019,773
Total	**840,885,491**	228,679,025
14. REVENUE FROM OPERATIONS		
Sale of products	**320,516,504**	737,461,680
Other operating revenues		
Scrap sales	**1,227,069**	321,837
Less: Excise duty	**16,481,658**	42,164,078
Total	**305,261,915**	695,619,439
15. OTHER INCOME		
Interest Income	**19,544,333**	4,664,329
Claims Received from Insurance	**1,399,899**	292,000
Reimbursement of Expenses	**448,100,000**	—
Misc & Others	**45,110**	12,733
Total	**469,089,342**	4,969,062
16. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	—	—
Add: Purchases	**—**	625,778,611
Cost of Raw materials and Components Consumed	**—**	625,778,611
17. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	**—**	2,590,000
Finished Goods	**—**	304,059,881
	—	306,649,881
Inventories at the beginning of the year		
Work in Progress	**2,590,000**	18,942,500
Finished Goods	**304,059,881**	158,461,687
	306,649,881	177,404,187
Total	**(306,649,881)**	129,245,695

	For the year ended 31.03.18 In Rupees	For the year ended 31.03.17 In Rupees
18. EMPLOYEE BENEFIT EXPENSES		
a. Salaries, Wages and Bonus	**15,021,525**	81,569,874
b. Contributions to Provident and other funds	**895,548**	5,820,169
c. Gratuity expenses	**123,466**	982,134
d. Staff welfare expenses	**1,075,066**	3,884,354
Total	**17,115,605**	92,256,531
19. FINANCE COST		
Interest expense	**64,379**	13,061
Total	**64,379**	13,061
20. DEPRECIATION		
Depreciation of Tangible Assets	**—**	21,947,592
Total	**—**	21,947,592
21. OTHER EXPENSES		
Consumption of Stores & Spares	**—**	12,754,461
Power & Fuel	**907,251**	20,177,719
Handling charges	**403,454**	2,150,091
Repairs and maintenanace		
To Plant & Machinery	**3,216,914**	22,609,014
To Buildings	**18,812**	253,882
To Others	**1,022,713**	2,708,474
Insurance	**867,996**	821,136
Rates & taxes	**422,735**	839,271
Legal & Professional Fees	**3,560,965**	7,883,420
Professional and Retainership	**—**	—
Packing Materials	**—**	11,828,689
Bank charges	**32,519**	78,659
Printing & Stationery	**117,018**	186,652
Telephone & Internet Charges	**186,567**	841,413
Travelling & Conveyance Expense	**1,947,100**	5,849,105
Sales commission	**350,275**	850,575
Compensation Expenses	**189,304,657**	—
Business Promotion	**4,000**	72,363
Rent	**905,791**	439,000
Miscellaneous Expense	**2,048,798**	3,729,344
Total	**205,317,566**	94,073,268
Auditors Remuneration	**—**	—
Audit Fee	**51,000**	302,100
Tax Audit Fee	**50,000**	—
Total	**101,000**	302,100

NOTE: 22

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. .

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.

Depreciation has not been provided by the Company as the Company has sold its entire Fixed Assets during the year.

1.7 Investments

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

1.8 Inventories

The Company has sold its entire Closing Stock during the year and is not carrying any Inventories in Its books.

1.9 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.

1.10 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 isrecognized on accrual basis.

Leave encashment is accounted for on cash basis.

No Actuarial Valuation has been done by the Company hand 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.

1.11 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 readyfor its intended use.

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

1.12 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.

1.13 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 contingentliabilities, which are contingent in nature, but if material, these are disclosed by way of notes. Contingent Assets are neither recognized nor disclosedin the financial statements.

NOTE : 23

Notes To The Accounts

Contingent Liabilities

1. Company has entered into a Settled Agreement with Ashok Leyland Finance Ltd for Rs. 28.52 Lacs payable in 3 installments . 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 . On receipt of the full amount the cases will be withdrawn by M/s Ashok Leyland Finance Ltd . In case of failure an additional amount of Rs. 18.11Lacs to be further provided in the Books of Account.
2. Claims of Rs. 22.08 Lacsby Sobhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh.
3. Sales Tax claim of Rs. 22.80 Lacs for which an appeal is pending with the Hon'bleHigh Court of Andhra Pradesh . The Company had paid Rs. 11.65 Lacs against above claim which is shown as deposit receivable in the books of accounts.
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)
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.

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.

The assets and liabilities of the Company as on 30.04.2017 were duly transferred to M/s Natems Sugar Pvt. Ltd. under slump sale agreement and same were duly recorded and accounted in the books of accounts.

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:	**31.3.2018**	31.3.2017
	Rupees	Rupees
Statutory Audit Fees	**51,000**	1,75,000
Tax Audit Fees	**50,000**	25,000

There are no Micro and Small Enterprises to whom the Company owes any amount which are outstanding as at March 31, 2018

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

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**
VAB Ventures Ltd	Common Director
Sri Venkateswara Sugar & Industries Pvt Ltd	Related To Director

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

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

As per our report of even date

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

Place : Hyderabad
Date : 30.05.2018

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 Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Prudential Ammana Sugars Limited** ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

a. In case of Balance Sheet of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

b. In case of Statement of Profit and Loss of the Profit of the Company as at 31st March 2018

c. In case of Cash Flow Statement of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2018 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 B"; and
   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 to the best of our information and according to the explanations given to us:
   i. The Company is not required to transfer, to the Investor Education and Protection Fund by the Company.

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

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Kolkata
Date : 23.05.2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

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. a. The management has conducted physical verification of inventory at reasonable intervals during the year.

b. The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company is maintaining proper records of inventory and no material discrepancy between physical and book records were noticed by us during on physical verification.

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 are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

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

vi. We have broadly reviewed the books of accounts pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, for the services rendered by the Company and are of the opinion that they have been properly maintained.

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 2018 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

viii. During the year the company has not defaulted in repayment of dues or interest to banks financial institution.

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 during the year

xvi. 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 : Kolkata
Date : 23.05.2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of KLJ Resources Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions

and dispositions of the assets of the company; (2) 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 (3) 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.

Inherent 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

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

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Kolkata
Date : 23.05.2018

PRUDENTIAL AMMANA SUGARS LIMITED **CIN: U21020AP1988PLC008729**

Balance Sheet as at March 31, 2018

Particulars	Notes	March 31, 2018	March 31, 2017
1. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
a. Share Capital	2	**51,000,000**	51,000,000
b. Reserve & Surplus	3	**94,911,319**	87,275,300
		145,911,319	138,275,300
2. Non Current Liabilities			
a. Other Non Current Liabilities	4	**5,408**	6,408
		5,408	6,408
3. Current Liabilities			
a. Other Current Liabilities	5	**454,456,773**	17,090
		454,456,773	17,090
Total		**600,373,500**	138,298,798
2. ASSETS			
1. Non Current assets			
a. Fixed Assets			
i. Tangible Assets	6	**24,300,000**	24,300,000
ii. Intangible Assets		**—**	—
b. Other Non Current Assets	7	**—**	—
		24,300,000	24,300,000
2. Current Assets			
a. Cash and Cash Equivalents	8	**12,019**	152,220
b. Other Current Assets	9	**576,061,481**	113,846,578
		576,073,500	113,998,798
Total		**600,373,500**	138,298,798

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	**Navin Kumar Banthia**	**Subhas Banerjee**
Proprietor	Director	Director
Membership No. 053972	DIN: 02053118	DIN: 05163789

Place : Kolkata
Date : 23.05.2018

PRUDENTIAL AMMANA SUGARS LIMITED **CIN: U21020AP1988PLC008729**

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	March 31, 2018	March 31, 2017
Income			
Interest received on Loan		**39,951,809**	480,617
Total Income (1)		**39,951,809**	480,617
Expenses			
Operational Expenses	10	**29,667,608**	490,481
Total Expenses (2)		**29,667,608**	490,481
Earnings before interest, depreciation and tax (EBIDT) (1)-(2)		**10,284,201**	(9,864)
Less: Depreciation		**—**	—
Profit/Loss before tax		**10,284,201**	(9,864)
Less: Provision for Tax		**2,648,182**	—
Profit/Loss after tax		**7,636,019**	(9,864)
Earning per equity shares	11	**2.94**	(0.00)
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	**Navin Kumar Banthia**	**Subhas Banerjee**
Proprietor	Director	Director
Membership No. 053972	DIN: 02053118	DIN: 05163789

Place : Kolkata
Date : 23.05.2018

PRUDENTIAL AMMANA SUGARS LIMITED **CIN: U21020AP1988PLC008729**

Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Cash Flow from Operating Activities		
Net Profit before Tax and Extraordinary Items	**71.09**	(0.09)
Adjustments for:		
Depreciation	**—**	—
Interest paid	**—**	—
Other Income	**(399.52)**	(4.81)
Operating Profit before working capital changes	**(328.43)**	(4.90)
Adjustments for:		
Increase/(Decrease) in Current Liabilities	**4,549.65**	0.11
(Increase)/Decrease in Current Assets	**(4,622.14)**	244.36
Cash generation from operation	**(400.92)**	239.57
Cash Flow from Investing Activities		
(Purchase)/Sale of Fixed Assets	**—**	(243.00)
Other Income	**399.52**	4.81
Net Cash Flow from Investing Activities	**399.52**	(238.19)
Cash Flow from Financing Activities		
Interest paid		
Investments		
Net Cash Flow from Financing Activities		
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCE	**(1.40)**	1.38
Add: Opening Cash and Bank balance	**1.52**	0.14
Cash and Bank balance at end of period	**0.12**	1.52

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

For and on behalf of the Board

Rajeev Kumar Pugalia	**Navin Kumar Banthia**	**Subhas Banerjee**
Proprietor	Director	Director
Membership No. 053972	DIN: 02053118	DIN: 05163789

Place : Kolkata
Date : 23.05.2018

PRUDENTIAL AMMANA SUGARS LIMITED **CIN: U21020AP1988PLC008729**

Notes on Financial Statement for the year ended March 31, 2018

					March 31, 2018	March 31, 2017
2.	**Share Capital**					
	Equity Shares Capital:					
	Authorised Share capital					
	(35,00,000 equity shares of Rs.10/- each)				**35,000,000**	35,000,000
	(25,00,000 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**	26,000,000
	(25,00,000 Pref. Shares of Rs.10/- each)				**25,000,000**	25,000,000
					51,000,000	51,000,000

2a.	**Reconciliation of Number of Share**	**Nos.**	**Amount**	**Nos.**	**Amount**
	Equity Share:				
	Balance at the end of the last year	**2,600,000**	**26,000,000**	2,600,000	26,000,000
	Add : Addition during the year	**—**	**—**	—	—
	Deletion during the year	**—**	**—**	—	—
	Balance as at end of the year	**2,600,000**	**2,60,00,000**	2,600,000	2,60,00,000
	Preference Shares				
	Balance at the end of the last year	**2,500,000**	**2,50,00,000**	2,500,000	2,50,00,000
	Add; Addition/(Deletion) during the year	**—**	**—**	—	—
	Balance at the end of the year	**2,500,000**	**25,000,000**	2,500,000	25,000,000

3	**Reserve & Surplus**				
	Share Premium		**100,000,000**		100,000,000
	General Reserve		**32,299**		32,299
	Surplus/(deficit)				
	Balance as per last account	**(12,756,999)**		(12,747,135)	
	Add: Profit/ (loss) during the year	**7,636,019**	**(5,120,980)**	(9,864)	(12,756,999)
			94,911,319		87,275,300
	Non Current Liabilities				
4.	**Other Non Current Liabilities**				
	Advances			**—**	—
	Audit Fees Payable			**1,100**	2,100
	Provision for Income Tax			**4,308**	4,308
				5,408	6,408



	March 31, 2018	March 31, 2017
Current Liabilities		
5 Other Current Liabilities		
Audit Fees Payable	**15,000**	1,100
Provision for Income Tax	**2,648,182**	—
Advances taken	**451,793,591**	15,990
	454,456,773	17,090
Non Current Assets		

6. Tangible Assets

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
Description	As on 01.04.2017	Addition/ (Deduction) During the Year	As on 31.03.2018	As on 01.04.2017	During the Year	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
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	—

7. Other Non Current Assets		
Deposit with Government	—	—
Current Assets		
8. Cash And cash Equivalents		
Balance with Scheduled Banks On Current Accounts	**11,950**	132,151
Cash in Hand	**69**	20,069
	12,019	152,220
9. Other Current Assets		
Loans Given	**572,017,237**	—
Advances	**—**	113,604,572
TDS Receivable	**4,044,244**	242,006
	576,061,481	113,846,578

	March 31, 2018	March 31, 2017
10. Operational Expenses		
Auditors Remuneration	**15,000**	1,100
Bank Charges	**2,765**	411
Business Promotion Expenses	**324,000**	225,000
Advances Written Off	**26,524,000**	30,000
Traveling & Conveyance Expenses	**259,700**	186,000
Salary	**724,500**	—
Donation	**100,000**	—
Miscellaneous Expenses	**325,000**	—
ROC Filing Fees	**56,580**	47,970
Legal & Consultancy Charges	**367,663**	—
Professional & Retainerships	**466,800**	—
Commission & Brokerage	**356,000**	—
General Expenses	**145,600**	—
	29,667,608	490,481
11. Earning Per Share		
Net Profit after Profit & Loss Account (after tax)	**7,636,019**	(9,864)
Provision for Taxation for earlier years	**—**	—
Net Profit available for equity shareholder (Numerator used for calculation)	**7,636,019**	(9,864)
Weighted Average number of equity shares used as denominator for calculating EPS	**2,600,000**	2,600,000
Basic and Diluted Earnings per share of Rs.10 each	**2.94**	(0.00)

12. Advances Taken Includes Advances given by the company to the tune of Rs.8,54,88,072.

13. Company has taken a Interest free Loan from its Holding Company M/ Prudential Sugar Ltd amounting to Rs.428,191,000.

14. Previous year figures regrouped/rearranged wherever necessary.

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

For and on behalf of the Board

Rajeev Kumar Pugalia	**Navin Kumar Banthia**	**Subhas Banerjee**
Proprietor	Director	Director
Membership No. 053972	DIN: 02053118	DIN: 05163789

Place : Kolkata
Date : 23.05.2018

PRUDENTIAL AMMANA SUGARS LIMITED

NOTES ON BALANCE SHEET AND THE STATEMENT OF PROFIT & LOSS

Note – 1

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 shareholders for the year by the weighted average number of equity shares outstanding during the year.

INDEPENDENT AUDITORS' REPORT

To
The Members,
PRUDENTIAL SUGAR CORPORATION LIMITED
Hyderabad

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Prudential Sugar CorporationLimited**("the Holding Company") and its subsidiary (collectively referred to as or "the Group"), comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (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 the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including theAccounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for 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; the selection and application of appropriate accounting policies; making judgments 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 relevantto 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,of the consolidated state of affairs of the Company, as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 ofSection 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India other than Mr. Vinod Baid having DIN No. 00010142 is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

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

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 to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company is not required to transfer, to the Investor Education and Protection Fund by the Company.

iii. The Company had sold its entire Fixed Assets including Plant & Machinery during the year as slump sale.

iv As per the Directives of the XXV Additional Chief Justice City Civil Count Hyderabad the Company has deposited a sum of Rs 25.00 Cr. with Ld. Court as security till the settlement of a case filed by a Shareholder against the Company opposing the sale of Fixed Assets..

v The Company did not redeem the 16% Redeemable Cumulative Preference Shares as per the terms of issue and did not provide for arrears of dividend thereon Refer Note No. 23(4) , The impact of which is that the Current Liabilities are understated by Rs. 8.00 lacs and the Capital is overstated by the same amount.

vi The Company has not accounted for the provisions for retirement benefits as per AS-46 the impact of which is unascertained.

vii The Balance of Secured Loans Unsecured Loans Advances Other Current Asset and Liabilities are subject to confirmation/ reconciliation.

vii. Previous year figures have been regrouped / rearranged wherever found necessary.

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

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Hyderabad
Date : 30.05.2018

Annexure-A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the yearended March 31, 2018, we have audited the internal financial controls over financial reporting of Prudential Sugar CorporationLimited ("the Holding Company") and its subsidiary which is incorporated in India and, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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



that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

Inherent 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 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, orthat the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary, which isincorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 ICAI.

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

Rajeev Kumar Pugalia
Proprietor
M.No. 053972

Place : Hyderabad
Date : 30.05.2018



CIN: L15432TG1990PLC032731 *CONSOLIDATED*

BALANCE SHEET AS AT 31st MARCH, 2018

PARTICULARS	Notes	As at 31.03.2018 In Rupees	As at 31.03.2017 In Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	**1**	**372,070,000**	372,070,000
Reserves and surplus	**2**	**491,293,930**	(131,531,304)
		863,363,930	240,538,696
2. Non-current liabilities			
Long-term borrowings	**3**	**1,127,000**	1,127,000
Other Long term liabilities	**4**	**25,006,108**	–
Long-term provisions	**5**	**—**	8,021,230
		26,133,108	9,148,230
3. Current liabilities			
Short-term borrowings	**6**	**59,372,731**	190,005,254
Trade payables	**7**	**—**	219,217,727
Other current liabilities	**8**	**253,821,836**	918,331,372
		313,194,567	1,327,554,353
TOTAL (of 1,2,3)		**1,202,691,605**	1,577,241,279
II. ASSETS			
Non-current assets			
1. Fixed assets			
Tangible assets	**9**	**24,300,000**	220,378,744
Intangible assets		—	—
Capital work-in-progress		—	241,800,536
Non-current investments	**10**	**5,528,005**	255,528,005
Deferred tax assets (net)		**152,594,001**	153,984,426
		182,422,006	871,691,711
2. Current assets			
Inventories	**11**	**—**	375,830,018
Trade receivables	**12**	**—**	36,108,418
Cash and cash equivalents	**13**	**12,984,488**	64,932,107
Short-term loans and advances	**14**	**1,007,285,111**	228,679,025
		1,020,269,599	705,549,568
TOTAL		**1,202,691,605**	1,577,241,279
III. SIGNIFICANT ACCOUNTING POLICIES	**23**		
NOTES TO ACCOUNTS	**24**		

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

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

Anit Surana
Chief Financial Officer

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

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972

Place : Hyderabad
Date : 30.05.2018



CIN: L15432TG1990PLC032731 *CONSOLIDATED*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Notes	**Year ended 31.03.2018 In Rupees**	Year ended 31.03.2017 In Rupees
I. Income			
Revenue from operations	**15**	**321,743,573**	737,783,517
Less: Excise Duty		**16,481,658**	42,164,078
		305,261,915	695,619,439
Other income	**16**	**509,041,151**	4,969,062
Total Revenue		**814,303,066**	700,588,501
II. Expenses:			
Cost of materials consumed	**17**	**—**	625,778,611
[Increase]/Decrease in inventories of finished goods work-in-progress and Stock-in-Trade	**18**	**306,649,881**	(129,245,695)
Employee benefits expense	**19**	**17,115,605**	92,256,531
Finance costs	**20**	**64,379**	13,061
Depreciation and amortization expense	**21**	**—**	21,947,592
Other expenses	**22**	**235,086,174**	94,375,368
Total Expenses		**558,916,039**	705,125,469
Profit before Exceptional, Extraordinary items & Tax		**255,387,027**	(4,536,968)
Tax of Earlier Years		**—**	—
Add: Exceptional Items		**284,728,399**	—
Less: Deferred Tax Assets (Loss)		**—**	(1,390,425)
Less: Provision for Tax		**(2,648,182)**	**—**
Profit after Taxation		**537,467,244**	(3,146,542)
Earnings per equity share:			
Basic		**16.21**	(0.094)
Diluted		**16.21**	(0.10)
III. SIGNIFICANT ACCOUNTING POLICIES	**23**		
NOTES TO ACCOUNTS	**24**		

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

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

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

Place : Hyderabad
Date : 30.05.2018

Anit Surana
Chief Financial Officer

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972



CIN: L15432TG1990PLC032731 *CONSOLIDATED*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

	31.03.2018	31.03.2017
	(Rs. in lakhs)	(Rs. in lakhs)
Cash flow from Operating activities		
Net Profit before Tax and Extraordinary items	**5,369.40**	(45.46)
Adjustments for :		
Depreciation	**—**	219.48
Interest paid	**0.64**	0.13
Other Income	**(5,090.41)**	(54.50)
Operating Profit before working capital changes	**279.63**	119.65
Adjustments for:		
Increase/(Decrease) in Trade Payables	**(2,192.17)**	(202.36)
(Increase)/Decrease in Inventories	**3,758.30**	(1,370.58)
(Increase)/Decrease in Trade Receivables	**361.08**	376.61
Increase/(Decrease) in Current Liabilities	**(2,628.87)**	4,129.46
(Increase)/Decrease in Current Assets	**(10,744.20)**	(530.08)
Cash generation from operation	**(11,166.23)**	2,522.70
Cash flow from Investing Activities		
(Purchase)/Sale of Fixed Assets	**2,203.78**	(261.68)
Capital Work in Progress	**2,418.00**	(2,235.86)
Other Income	**5,090.41**	54.50
Sale of Investments	**2,240.00**	—
Net Cash Flow from Investing Activities	**11,952.19**	(2,443.04)
Cash flow from Financing activities		
Payment of Short Term Borrowings	**(1,306.32)**	245.40
Interest paid	**(0.64)**	(0.13)
Net Cash flow from Financing Activities	**(1,306.96)**	245.27
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	**(521.00)**	324.93
Add: Opening Cash and Bank balance	**650.85**	325.92
Cash and Bank balance at the end of period	**129.85**	650.85

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

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

Place : Hyderabad
Date : 30.05.2018

Anit Surana
Chief Financial Officer

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972



CIN: L15432TG1990PLC032731

	CONSOLIDATED	
	As at 31.03.18	As at 31.03.17
	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.Redeemable Preference shares of Rs.50 each	**250,000,000**	250,000,000
	750,000,000	750,000,000
Issued		
a. 1,54,06,400 Equity shares of Rs.10 each	**154,064,000**	154,064,000
b. 1,00,00,000 Equity shares of Rs.10 each issued at a premium of Rs.10 each	**100,000,000**	100,000,000
c. 10345600 Equity Shares of Rs.10 each (Converted from 2586400 Equipref Shares of Rs.40 each)	**103,456,000**	103,456,000
d. 20000 16% Cum.Redeemable Pref. Shares of Rs.40 each (Rs.10 converted into Equity)	**800,000**	800,000
e. 1000000 16% Cum.Redeemable Pref.Shares of Rs.50 each (Redeemable at any time on or before 10/02/2006)	**50,000,000**	50,000,000
	408,320,000	408,320,000
Subscribed & Fully Paid up		
1,54,06,400 Equity shares of Rs.10 each	**154,064,000**	154,064,000
1,03,45,600 Equity shares of Rs.10 each (Converted from 2586400 Equipref Shares of Rs.40 each)	**103,456,000**	103,456,000
20,000 16% Cum.Redeemable Pref. Shares of Rs.40 each (Rs.10 converted into Equity)	**800,000**	800,000
65,000,00 Equity shares of Rs.10 each	**65,000,000**	65,000,000
	323,320,000	323,320,000
Subscribed but not fully Paid up		
35,000,00 Equity shares of Rs.10 each issued at a premium of Rs.10 each called up and paid up @ Rs.2.50	**8,750,000**	8,750,000
1000000 16% Cum.Redeemable Pref.Shares of Rs.50 each Rs.40 per share each called up and paid up	**40,000,000**	40,000,000
Total	**48,750,000**	48,750,000

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

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

S. No.	Name of Shareholder	**As at 31 March 2018** No. of Shares held	% of Holding	As at 31 March 2017 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

		CONSOLIDATED
	As at 31.03.18 In Rupees	As at 31.03.17 In Rupees
2. RESERVES AND SURPLUS		
A. Capital Reseves		
Opening Balance	**1,500,000**	1,500,000
B. Securities Premium Account		
Premium @ Rs.10/- on 65,00,000 Equity Shares	**65,000,000**	65,000,000
Premium @ Rs.40/- on 25,00,000 Pref. Shares	**100,000,000**	—
	165,000,000	65,000,000
C. General Reserves	**32,299**	**—**
D. Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	**(212,178,728)**	(194,884,762)
(+) Net Profit/(Net Loss) For the current year	**536,940,359**	(3,156,406)
Closing Balance	**324,761,631**	(198,041,168)
Total	**491,293,930**	(131,541,168)
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		
Audit Fees payable	1,100	—
Provision for Income Tax	4,308	—
Minority Interest	25,000,700	—
Total	**25,006,108**	**—**
5. PROVISIONS (Long Term)		
a. Provision for employee benefits		
Superannuation (unfunded)	**—**	8,021,230
Total	**—**	8,021,230

		CONSOLIDATED
	As at 31.03.18 In Rupees	As at 31.03.17 In Rupees
6. SHORT TERM BORROWINGS		
a. Loans and advances		
From Others	**11,200,000**	11,200,000
From Corporate	**48,172,731**	178,805,254
Total	**59,372,731**	190,005,254

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

7. TRADE PAYABLES		
Trade Payables	**—**	219,217,727
	—	219,217,727

8. OTHER CURRENT LIABILITIES		
a. Interest accrued but not due on borrowings	—	—
b. Accrued Salaries and Benefits	**310**	7,651,609
c. Statutory Dues	—	33,659,717
d. Others	**208,499,729**	23,506,562
f. Advance against purchase consideration	—	280,000,000
g. Advance others (Corporate)	—	573,513,483
h. Audit Fees Payable	**15,000**	1,100
i. Provision for Income Tax	**3,179,049**	—
j. Other Liabilities	**42,127,748**	15,990
Total	**253,821,836**	918,348,462

CIN: L15432TG1990PLC032731 ***CONSOLIDATED***

9. FIXED ASSETS

(In Rupees)

Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2017	Additions/ Adj. during the year	As at 31.03.2018	As at 01.04.2017	During the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A. Tangible Assets								
Land	16,343,937	7,956,063	24,300,000	—	—	—	24,300,000	16,343,937
Building	157,717,744	(157,717,744)	—	95,312,969	—	95,312,969	—	62,404,775
Plant & Machinery	502,077,136	(502,077,136)	—	368,778,072	—	368,778,072	—	133,299,065
Furniture/ Office Equipment	32,106,427	(32,106,427)	—	23,990,314	—	23,990,314	—	8,116,113
Vehicles	5,828,175	(5,828,175)	—	5,613,321	—	5,613,321	—	214,854
Total (A)	714,073,419	(689,773,419)	24,300,000	493,694,676	—	493,694,676	24,300,000	220,378,744
B Intangible Assets								
C Capital Work in Progress	241,800,536	(241,800,536)	—	—	—	—	—	241,800,536
Total	955,873,955	(931,573,955)	—	—	—	—	—	241,800,536
Previous Year	712,206,589	243,667,367	955,873,956	471,747,084	21,947,592	493,694,676	462,179,280	240,459,504



CIN: L15432TG1990PLC032731

		CONSOLIDATED
	As at 31.03.18	As at 31.03.17
	In Rupees	In Rupees
10. 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	**—**	125,000,000
c. 125,00,000 Preference Shares @ Rs 50/- each paid up in Prudential Ammana Sugars Limited	**—**	125,000,000
Other Investments		
National Savings Certificate (Depsited with Forest Department)	**11,000**	11,000
Total	**5,528,005**	255,528,005
11. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)		
a. Work-in-progress	**—**	2,590,000
b. Finished Goods	**—**	304,059,881
c. Stores and spares	**—**	68,983,868
d. Loose Tools	**—**	196,269
Total	**—**	375,830,018
12. TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)		
Unsecured, considered good for a period exceeding 6 months		
Others	**—**	36,108,418
Total	**—**	36,108,418
13. CASH AND BANK BALANCES		
a. Balances with banks*		
On Current accounts	**484,419**	64,548,733
b. Cheques in Hand	**12,500,000**	—
c. Cash on hand*	**69**	383,374
Total	**12,984,488**	64,932,107
14. SHORT TERM LOANS AND ADVANCES		
a. Loans and advances		
Unsecured, considered good	**720,966,210**	50,125,062
b. Others		
Loans and advances to employees	—	1,531,536
Prepaid Expenses	**559,975**	1,032,765
Balances with Statutory/Government Authorities and Judicial Courts	**285,758,926**	34,969,889
Others	—	141,019,773
	286,318,901	178,553,963
Total	**1,007,285,111**	228,679,025



CIN: L15432TG1990PLC032731

		CONSOLIDATED
	For the year ended 31.03.18 In Rupees	For the year ended 31.03.17 In Rupees
15. REVENUE FROM OPERATIONS		
Sale of products	**320,516,504**	737,461,680
Other operating revenues		
Scrap sales	**1,227,069**	321,837
Less: Excise duty	**16,481,658**	42,164,078
Total	**305,261,915**	695,619,439
16. OTHER INCOME		
Interest Income	**19,544,333**	4,664,329
Claims Received from Insurance	**1,399,899**	292,000
Reimbursement of Expenses	**448,100,000**	—
Misc & Others	**45,110**	12,733
Interest received on Loan	**39,951,809**	—
Total	**509,041,151**	4,969,062
17. COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	—	—
Add: Purchases	**—**	625,778,611
Cost of Raw materials and Components Consumed	**—**	625,778,611
18. (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in Progress	**—**	2,590,000
Finished Goods	**—**	304,059,881
	—	306,649,881
Inventories at the beginning of the year		
Work in Progress	2,590,000	18,942,500
Finished Goods	304,059,881	158,461,687
	306,649,881	177,404,187
Total	**(306,649,881)**	**129,245,695**
19. EMPLOYEE BENEFIT EXPENSES		
a. Salaries, Wages and Bonus	15,021,525	81,569,874
b. Contributions to Provident and other funds	895,548	5,820,169
c. Gratuity expenses	123,466	982,134
d. Staff welfare expenses	1,075,066	3,884,354
Total	**17,115,605**	**92,256,531**



CIN: L15432TG1990PLC032731

CONSOLIDATED

	For the year ended 31.03.18 In Rupees	For the year ended 31.03.17 In Rupees
20. FINANCE COST		
Interest expense	**64,379**	13,061
Total	**64,379**	13,061
21. DEPRECIATION		
Depreciation of Tangible Assets	**—**	21,947,592
Total	**—**	21,947,592
22. OTHER EXPENSES		
Salary	**724,500**	**—**
Consumption of Stores & Spares	**—**	12,754,461
Power & Fuel	**907,251**	20,177,719
Handling charges	**403,454**	2,150,091
Repairs and maintenanace		
To Plant & Machinery	**3,216,914**	22,609,014
To Buildings	**18,812**	253,882
To Others	**1,022,713**	2,708,474
Insurance	**867,996**	821,136
Rates & taxes	**422,735**	839,271
Legal & Professional Fees	**3,928,628**	7,883,420
Professional and Retainership	**466,800**	—
ROC Filing fees	**56,580**	—
Donation	**100,000**	—
Commission and Brokerage	**356,000**	—
Packing Materials	**—**	11,828,689
Bank charges	**35,284**	78,659
Printing & Stationery	**117,018**	186,652
Telephone & Internet Charges	**186,568**	841,413
Travelling & Conveyance Expense	**2,206,800**	5,849,105
Sales commission	**350,275**	850,575
Compensation Expenses	**189,304,657**	—
Business Promotion	**328,000**	72,363
Rent	905,791	439,000
Miscellaneous Expense	**2,519,398**	3,729,344
Advances written off	**26,524,000**	—
Auditors Remuneration		
Audit Fee	**116,000**	302,100
Total	**235,086,174**	94,375,368

NOTE: 23

1.SIGNIFICANT ACCOUNTING POLICIES ON FINANCIALS

1.2 Basis of Preparation

The consolidated 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 consolidated 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 consolidated 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. .

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.

Depreciation has not been provided by the Company as the Company has sold its entire Fixed Assets during the year.

1.7 Investments

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

1.8 Inventories

The Company has sold its entire Closing Stock during the year and is not carrying any Inventories in Its books.

1.9 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.

1.10 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 isrecognized on accrual basis.

Leave encashment is accounted for on cash basis.

No Actuarial Valuation has been done by the Company hand 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.

1.11 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 readyfor its intended use.

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

1.12 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.

1.13 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 contingentliabilities, which are contingent in nature, but if material, these are disclosed by way of notes. Contingent Assets are neither recognized nor disclosedin the consolidated financial statements.

NOTE 24

NOTES TO THE ACCOUNTS

Contingent Liabilities

1. Company has entered into a Settled Agreement with Ashok Leyland Finance Ltd for Rs. 28.52 Lacs payable in 3 installments . 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 . On receipt of the full amount the cases will be withdrawn by M/s Ashok Leyland Finance Ltd . In case of failure an additional amount of Rs.18.11 Lacs to be further provided in the Books of Account.
2. Claims of Rs. 22.08 Lacsby Sobhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh.
3. Sales Tax claim of Rs. 22.80 Lacs for which an appeal is pending with the Hon'ble High Court of Andhra Pradesh . The Company had paid Rs. 11.65 Lacs against above claim which is shown as deposit receivable in the books of accounts.
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)
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.

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.

The assets and liabilities of the Company as on 30.04.2017 were duly transferred to M/s Natems Sugar Pvt. Ltd. under slump sale agreement and same were duly recorded and accounted in the books of accounts.

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:	**31.3.2018 Rupees**	31.3.2017 Rupees
Statutory Audit Fees	**61,000**	1,75,000
Tax Audit Fees	**55,000**	25,000

There are no Micro and Small Enterprises to whom the Company owes any amount which are outstanding as at March 31, 2018

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

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**
VAB Ventures Ltd	Common Director
Sri Venkateswara Sugar & Industries Pvt Ltd	Related To Director

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

For and on behalf of the Board

K. Subba Rao
Whole Time Director
DIN:02552019

Y. Ravinder Reddy
Director
DIN: 00011040

As per our report of even date

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

Place : Hyderabad
Date : 30.05.2018

Anit Surana
Chief Financial Officer

Rajeev Kumar Pugalia
Proprietor
Membership No. 053972

Prudential Sugar Corporation Limited

Go Green Initiative

Dear Shareholder,

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

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

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

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

GO GREEN FORM

To
PRUDENTIAL SUGAR CORPORATION LIMITED

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

Fields marked with * are compulsory

Name of Shareholder(s)* : _____

Folio No.* : _____

No. of Shares held as on Date* : _____

E-mail ID (Permanent)* : _____

E-mail ID (Alternative) : _____

Contact No. (Mobile)* : _____

Contact No. (Fixed Line)* : _____

Signature : _____



PRUDENTIAL SUGAR CORPORATION LIMITED

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

Form No. MGT-11

PROXY FORM

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

Name of the member(s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____

DP ID : _____

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 27th Annual General Meeting of the Company, to be held on Saturday, March 30, 2019 at 11.30 am at "Akash Ganga", Plot No. 144, 4th Floor, Srinagar Colony, Hyderabad - 500 073 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in the place of Mr. Kurra Subba Rao (DIN: 02552019) who retires by rotation and being eligible, offers himself for re-appointment.

Signed this _____ day of _____ 2019

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

Affix ₹ 1 Revenue Stamp

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

PRUDENTIAL SUGAR CORPORATION LIMITED

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

ATTENDANCE SLIP

TWENTY SEVENTH ANNUAL GENERAL MEETING

Day: Saturday, March 30, 2019 at 11.30 a.m.

Regd. Folio No.	No. of Shares
Client ID	DP ID No.

Name of the Member/Proxy (Please tick the appropriate box)

Attendance by ☐ Member ☐ Proxy ☐ Authorised Representative ☐

I state that I am a member / proxy for the member of the Company. I hereby record my presence at the 27th Annual General Meeting at "Akash Ganga", Plot No. 144, 4th Floor, Srinagar Colony, Hyderabad - 500 073

.....

Signature of Attending Member / Proxy

Applicable for investors holding shares in Electronic Form.

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

Prudential Sugar Corporation Limited

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.

Prudential Sugar Corporation Limited

In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India, route map for the location of the venue of the 27th Annual General Meeting is given below.



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

mudrika graphics, ph: 92465 26137