



BOARD OF DIRECTORS

Sri Vinod Baid	—	<i>Chairman</i>
Sri Ch. Krishnamoorthy	—	<i>Managing Director</i>
Sri P.M. Nair	—	<i>Director</i>
Sri U.C. Bhandari	—	<i>Director</i>
Sri Kishore Jhunjunwala	—	<i>Director</i>
Sri Y. Ravinder Reddy	—	<i>Director</i>

AUDITORS

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

BANKERS

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

CORPORATE OFFICE

Akash Ganga, 4th Floor,
Plot No.144, Sri Nagar Colony,
Hyderabad - 500 073.

REGISTERED OFFICE & FACTORY

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

DEPOSITORY REGISTRAR

R&D Infotech Pvt. Ltd.,
22/4, Nakulesaar Bhattachajee Lane,
Kolkatta - 700 026.

Prudential Sugar Corporation Limited



NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Thursday, the 30th September, 2010 at 10.00 A.M. at the Registered office at "Prudential Nagar", Koppedu Post, Nindra Mandal, Chittoor Dist., 517 587, AP, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri P.M. Nair, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Sri U.C. Bhandari who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the year 2010-2011 and to authorise Board of Directors to fix their remuneration. The present Auditors of the Company, M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad, bearing registration No. 001859S with the Institute of Chartered Accountants, retire at this Annual General Meeting and are eligible for reappointment.

For and on behalf of the Board

Place : Nindra
Date : 01/09/2010

VINOD BAID
Chairman

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member.
2. The Register of Members and share transfer books of the Company shall remain closed from 26th September, 2010 to 30th September, 2010 (both days inclusive).
3. Members desiring any information as regards to the Accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
4. Members are requested to notify change in address, if any, immediately to the company, quoting their Folio Number.
5. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of all such folios together with Share Certificates for Consolidation of their holdings into a single folio.
6. Members/Proxies should bring the Attendance Slips duly signed to the meeting and hand it over at the entrance. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting. Xerox copy/torn attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested to bring their copy of the Annual Report to the Meeting as copies will not be distributed at the Meeting hall due to prohibitive cost of printing.
7. Consequent upon amendment of Sec 205A of the Companies Act, 1956 and introduction of section 205C by the company's (Amendment Act, 1999), the unclaimed dividend for the financial year 1995-1996 has been transferred to the Investor Education and Protection Fund.

For and on behalf of the Board

Place : Nindra
Date : 01/09/2010

VINOD BAID
Chairman

Prudential Sugar Corporation Limited



Annexure to the Notice

Notes on Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

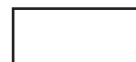
Profile of Directors being Appointed/Re-appointed:

Item No. 2

S.No.	Particulars	Sri P.M. Nair
1.	Age	69 years
2.	Date of Appointment	26th May, 2006
3.	Qualification	B.E. MBA
4.	Experience	He has 30 years of experience in Sugar Industry. He is a fellow member of Indian Sugar Technologists Association and of the Indian Institute of Plant Engineers. He is also a member of Indian Council of Arbitrators, Indian Labour Law Association and Loss Prevention Association of India. He worked in different capacities across various Companies.
5.	Other Directorships	1. Ganapati Sugar Industries Ltd. 2. Ganapati Systems & Solutions Ltd. 3. Response Informatics Ltd. 4. Haritha Krishi Vikas (P) Ltd.
6.	Chairman/Member of the Committees of the Board of the other Companies on which he is a Director	(A) Audit Committee 1. Response Informatics Ltd. (B) Share Transfer Committee/ Investors' Grievances' Committee 1. Response Informatics Ltd.

Item No. 3

S.No.	Particulars	Sri U.C. Bhandari
1.	Age	59 years
2.	Date of Appointment	31st August, 2002
3.	Qualification	FCA
4.	Experience	He is currently practicing as a Chartered Accountant. He is having vast experience in Taxation, Project Financing, Company Law and other Corporate Laws.
5.	Other Directorships	1. Gennex Laboratories Ltd. 2. Raj Packaging Industries Ltd. 3. Ritual Developers Ltd. 4. Atlantis Stocks Ltd. 5. Ritual Garments Exports (P) Ltd. 6. Bonchance Finance (P) Ltd. 7. Paresh Exports (P) Ltd. 8. Gaurav Securities (P) Ltd. 9. Ritual Finance & Investments (P) Ltd. 10. Sitar Construction (P) Ltd.
6.	Chairman/Member of the Committees of the Board of the other Companies on which he is a Director	(A) Audit Committee Gennex Laboratories Ltd. 1. Gennex Laboratories Ltd. (B) Share Transfer Committee/ Investors' Grievances' Committee 1. Gennex Laboratories Ltd. (C) Remuneration Committee 1. Gennex Laboratories Ltd.

**DIRECTORS' REPORT**

To,
The Members,

1. Your Directors have pleasure in submitting their Nineteenth Annual Report with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010.

2. Financial Performance**(Rs. in Lakhs)**

	for the Year ended 31.03.2010	for the Year ended 31.03.2009
Total Income	7530.24	5324.38
Profit/(Loss) before Interest and Depreciation	532.01	613.50
Less: Interest	238.07	304.42
Profit/(Loss) after Interest but before Depreciation & Tax	293.94	309.08
Less: Depreciation	278.76	277.85
Profit/(Loss) before tax	15.18	31.23
Provision for Tax:		
- Taxation for earlier year	3.12	—
- Current	—	2.36
- Deferred Tax Asset	105.39	19.59
Dividend on Pref. Shares	—	21.00
Dividend Distribution Tax	—	3.57
Profit/(Loss) after Tax and Dividend	(93.33)	(15.29)
Add: Balance brought from previous year	(480.92)	(465.62)
Surplus/(Loss) carried to Balance Sheet	(574.25)	(480.92)

3. Review of Operations

During the crushing season 2009-10 company have crushed 259220 Mts of cane as against 228935 MTs of cane crushing during crushing season 2008-09. The average recovery during the year under review was 8.40% as against 9.15% during last crushing season.

4. Dividend

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

5. Sugar Industry Overview

Sugar business has been intrinsically cyclical in India but the swings in recent times have turned rather too sharp and swift. Sugar production discernibly doubled between 2005 and 2007 that hurriedly halved just within the next two years. From this low base, it is now well poised to nearly double again in the near term.

No other major sugar producing country is witness to such galloping gyrations in year on year production. Price volatility is but a necessary outcome of such production volatility. This has rather made the diverse stakeholders by turn taciturn and dis-spirited towards taking a long term commitment for the orderly functioning and growth of this core industry.



The causes for such intermittent and intimidating upsurge and downswing in sugar production are too well known. It is axiomatic to recognize and pave way for price parity between sugar and sugarcane on the one hand as well as sugarcane and other competing cash crops on the other. A cohesive and comprehensive action plan is imperative and its need immediate to meaningfully moderate., if not totally eliminate the adversity of sugar cycles occurring in our country at frequent intervals with ferocious intensity.

Indian production figures have their domino effect both on the direction and degree of world sugar balance. It is thus no wonder that world sugar balance suffered a deficit during 2008-10 that is now heading towards surplus in 2010-11. As a corollary, Indian exports are invariably during glut at the bottom of global prices while imports are during deficits at the peak of prices. On both counts, the huge financial burden befalls on producers, consumers and the exchequer though in varying degree.

With two successive sugar years of low production, Indian sugar prices have been continuously on their climb up to reach robust levels. This in turn empowered and prompted the industry to offer high and remunerative cane price so as to lure the farmer back to cane crop. Sugar mills have voluntarily paid a whopping Rs.20,000/- crores over and above the Central Government's mandatory cane price in this process. As a result, there has been a swift and strident recovery in Indian sugar production to narrow down the deficit during 2009-10 and turn surplus during 2010-11. There is no arguing that this remarkable rebound could and in fact has come only on the strength of buoyant sugar prices and consequent benevolent cane prices.

Government measures

The year under review witnessed aggressive Government intervention in sugar business to rein in rising sugar prices fuelled by the galloping deficit in production and stock estimates. Some of these measures were well justified to augment domestic sugar availability and cool-off the overheated market. But several others proved too harsh and outlandish that created panic in the minds of Trade and Industry, quelling demand and disrupting off-take.

Levy obligation was doubled from 10% to 20% to protect PDS supply while levy sugar prices now remain unrevised for over six years. Duty-free raw sugar import facility was extended till end of 2010 besides opening duty-free white sugar imports for all. Indeed, while imports are presently placed at a premium over domestically produced sugar with total exemption from levy obligation and full freedom from release mechanism. Further, bulk users of sugar were subjected to unrealistic inventory norms for holding domestic sugar that has forcibly moved them to imported sugar offering greater flexibility. Inventory and turnover norms were rigidly enforced on sugar traders followed by frequent raids. The reversal of market sentiments and concomitant price decline from the peak was taken in the normal stride by the industry. But persistence with these moves have plummeted prices to below breakeven levels that cries for instant policy correction.

The Government promulgated an Ordinance, later made as Law, to retrospectively amend the Essential Commodities Act 1955. By this, the Government has endeavoured to undo a favourable Supreme Court ruling and deny higher levy sugar price based on State Advised Price or actual price for cane. The new Law seeks to restrict and confine the levy sugar price by considering only Statutory Minimum Price for cane from 1974 to 2009. Sugar industry has challenged the retrospective amendment by filling a Writ Petition in Delhi High Court.

The concept of Statutory Minimum Price (SMP) has been changed to Fair and Remunerative Price (FRP) for sugarcane from 2009-10 season. Such FRP takes certain additional factors into consideration over SMP namely, reasonable margins for the growers of sugarcane on account of



risk and profits. FRP was conceptually intended to be total compensation and hence the sole mandatory price for cane, restraining States from announcing higher SAP. However, the Centre bowing to political pressures had to make a quick retreat and remove the ban on SAP. Dual cane pricing would thus continue to daunt the industry with its deleterious impact.

Indian sugar production for 2009-10 was initially estimated around 140 lakh tones that now stands uprevised to 185 lakh tones. Further, the production outlook for the next year is also highly promising. Simultaneously, world sugar deficit is moving towards a surplus. All these have brought about a strident shift in market sentiment and consequent crash in sugar prices. Raw sugar prices after recording a 29 year high at 30.40 c/lb on 1st February, 2010 now trades at less than 50% of that level. Concurrently, Indian sugar prices have also fallen from Rs.4200/- qtl. To below Rs.2800/- qtl. Accordingly, the industry has made fervent appeal to the Government to roll back the harsh measures initiated during times of high sugar prices that are no longer relevant. Sugar prices now need to recover from the bottom for the farmer to be able to get a remunerative cane price.

Excessive Government controls on sugar though well meant to balance the interest of diverse stakeholders, have hardly helped to serve the intended objectives. Still worse, they have repeatedly failed to meaningfully respond to market dynamics and in really resulted to unleash its innate potential, help meet the growing demands of sugar in our fast developing economy and be a credible exporter.

6. Internal Control, System and their Adequacy

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

7. Public Deposits

Deposits collected from Shareholders and Public as on 31.03.2010 is Nil. No Deposits are due and outstanding for payment as on 31.03.2010.

8. Directors

Shri U.C.BHANDARI and Shri P.M.NAIR are retiring by rotation at the ensuing Annual General Meeting and are eligible for reappointment. Necessary resolution is placed before the shareholders for their approval.

9. Environmental friendliness & pollution free techniques

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

10. Personnel

Your Company continued to maintain cordial and harmonious relations between the employees during the year under review. The Directors hereby place on record their appreciation of efficient and loyal services rendered by the employees at all levels.

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



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

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

12. Directors' Responsibility Statement

Your Directors confirm that:

- i. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the Accounting year ended 31st March, 2010 and of the Profit of the Company for that year;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis.

13. Corporate Governance

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

14. Auditors

M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad, the Auditors of your Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. As regards Auditor observation in their report, the notes given in schedule 'O' is self explanatory.

15. Acknowledgement

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

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

For and on behalf of the Board

Place : Nindra
Date : 01/09/2010

Vinod Baid
Chairman



ANNEXURE – A

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

A. Conservation of Energy

a. Energy Conservation measures taken:

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

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

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

c. Impact of the measures at (a) and (b) above for reduction of consumption and consequent impact on reduction in cost of production is Rs.3.50 per bag.

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

B. Technology Absorption

Efforts made in technology — As per Form 'B'

C. Foreign Exchange Earnings & Outgo

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

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



**FORM A
(See Rule 2)**

**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION
OF ENERGY**

DESCRIPTION	2009-10	2008-09
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
a. PURCHASED		
Units KWH	5,27,506	4,86,075
Total Amount (Rs.)	25,78,027	24,87,013
Rate per Unit (Rs.)	4,887	5,116
b. OWN GENERATION		
1. Through Diesel		
Generator Units (KWH)	5,028	3,106.8
Units per Ltr. of Diesel Oil	2.37	2.43
Cost per Unit (Rs.)	16.17	14.26
2. Through Steam Turbine / Generator Units (KWH)	64,21,000	51,49,535
KWH per tonne of Bagasse	193.8	206
Cost per Unit (Rs.900/-)	3.64	3.64
2. BAGASSE		
Quantity (Tonnes)	33,132	24,977
Total Cost (Rs.)	Own Bagasse	Own Bagasse
Average Rate (Rs.)	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity KWH (Per Tonne)	294.3	245



FORM – B

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

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

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

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

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

3. Future plan of action

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

4. Expenditure on Research and Development

	(Rs.in lakhs)
a. Capital	—
b. Recurring	5.78
c. Total	5.78
d. Total R&D expenditure as a percentage of total turnover	0.08%



TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

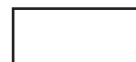
Introduction of African breed of earthworms suited to local condition with expected production of maximum quantity of humus.

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

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

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

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



CORPORATE GOVERNANCE REPORT

1. A Brief statement on Company’s philosophy on code of corporate governance

Corporate Governance requires transparency of operations at all levels of Management which leads not only to an effective compliance of the laws of the land but also ultimately results in enhancing the long term shareholder value and protecting the interest of all the stake holders. Your Company is committed to continuing the high values and traditions in transparent functioning of the organization.

2. Composition of Board

The Board of Directors has mix of Executive and Non-Executive Directors. The Board comprises of Six Directors - The Chairman, The Managing Director and Four Non-Executive Directors. Two of the Non-Executive Directors are independent Directors. Accordingly, the composition of the Board is in conformity with the Listing Agreement.

Except the Chairman, Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

Attendance of each Director at Board Meetings and Last Annual General Meeting:

The Board met Six times during the financial year on **30.04.2009, 31.07.2009, 03.09.2009, 31.10.2009, 18.12.2009** and **30.01.2010** The last Annual General Meeting of the Company was held **on 30th September, 2009.**

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at Last AGM
Sri Vinod Baid	6	5	Present
Sri Ch. Krishnamoorthy	6	6	Present
Sri U.C. Bhandari	6	5	Present
Sri Kishore Jhunjunwala	6	4	Absent
Sri Y. Ravinder Reddy	6	5	Present
Sri P.M. Nair	6	1	Absent

3. Audit Committee

An Audit Committee was constituted in accordance with Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. This comprises of three Non-Executive Directors out of whom two are independent directors. The Chairman was also present at Annual General Meeting held on 30th September 2009.

The following are the members of the Audit Committee.

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

The Audit Committee of the Company, interalia provides reassurance to the Board on the existence of and effective internal control environment that ensures:

- a. efficiency and effectiveness of operation.
- b. safeguarding of assets and adequacy of provisions for all liabilities.
- c. reliability of financial and other management information and adequacy of disclosures.
- d. compliance with all relevant statutes.



The role of the Committee includes the following:

- a. Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditors, fixation of audit fees and approval of payment of fees for any other services rendered by the auditors.
- c. Reviewing with the management the financial statements before submission to the Board.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board.
- e. Discussion with the external auditors, before the audit commences, on the nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter.
- f. Reviewing the Company's financial and risk management policies.
- g. Considering such other matters as may be required by the Board.
- h. Reviewing any other areas which may be specified as role of the Audit committee under amendments, if any, from time to time, to the Listing agreement, Companies Act and other statutes.

The Audit Committee met four times during the year on 30.04.09,31.07.09,31.10.09, and 30.01.10.

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

The necessary quorum was present at the meetings.

4. Remuneration of Directors

The Company has no pecuniary relationship or transaction with its Directors. Hence in the earlier Annual General Meeting, the members have approved remuneration to Shri Vinod Baid, Chairman and Shri Ch. Krishnamoorthy, Managing Director, but due to negative performance of the Company during the year, Chairman and Managing Director has not taken remuneration, also no provision has been made in the books of Account. The Company has no Stock Option scheme. In view of the above, no remuneration committee is constituted.

5. Shareholders' / Investors' Grievance Committee

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

During the year 2009-2010 12 complaints were received from shareholders/investors. All complaints have generally been solved to the satisfaction of the complainants.

All valid share transfers received during the year 2009-2010 have been acted upon by the Company and there were no pending share transfers as on 31st March, 2010.

**6. General Body Meetings**

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

Financial Year	Date/ Time	Location of the Meeting	Time
2006-2007	29th September, 2007	PSCL, Prudential Nagar, Nindra	10.00 am
2007-2008	29th November, 2008	PSCL, Prudential Nagar, Nindra	04.00 pm
2008-2009	30th September, 2009	PSCL, Prudential Nagar, Nindra	10.00 am

No special resolution was put through postal ballot at the last Annual General Meeting, nor any proposed for this year.

7. Disclosures

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

The Trading of Shares of the company on National Stock Exchange, Mumbai is suspended and since then the company is in regular in complying all the provisions of listing agreement.

8. Means of Communication

- The quarterly, half-yearly and Annual results are published in newspapers.
- Presentations are also made from time to time to analysts and institutional investors.

9. General shareholder information**A. Annual General Meeting**

Date and Time : 30.09.2010 at 10.00 am
Venue : "Prudential Nagar", Koppedu Post, Nindra Mandal,
Chittoor District - 517 587, Andhra Pradesh.

Demat ISIN No. for NSDL :
and CDSL for

Equity Shares : INE024D01016
Preference Shares : INE024D04010

- B. Date of Book Closure** : 26.09.2010 to 30.09.2010
(both days inclusive)

C. Registrar & Share transfer Agent

R&D Infotech (P) Ltd., 22/4, Nakuleswar Bhattacharya Road, Kolkata - 700 026.
Telefax: 033-24631657/58

**D. Address for Correspondence**

Prudential Sugar Corporation Limited
4th Floor, Akash Ganga
Plot No. 144, Door No. 8-3-1053,
Srinagar Colony, Hyderabad - 500 073.

E. Transfer system

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

F. Dematerialization of shares and liquidity

The shares of the Company are compulsorily traded in Dematerialized form and are available for trading under both the depositories in India, NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited).

As on 31st March, 2010, a total of 1,84,42,289 shares of the Company, which forms 51.58% of the Share Capital, stands dematerialized.

G. Financial Calendar

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

H. Distribution of Share holding as on 31st March, 2010

Share holding of Nominal value of Rs.		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	(in Rs.)	% to Total
Upto	5,000	10,281	88.21	2,09,88,500	5.87
5,001 —	10,000	560	4.80	47,40,000	1.33
10,001 —	20,000	348	2.99	53,93,350	1.51
20,001 —	30,000	87	0.75	22,18,660	0.62
30,001 —	40,000	82	0.70	31,35,000	0.88
40,001 —	50,000	41	0.35	19,74,990	0.55
50,001 —	1,00,000	105	0.90	83,51,460	2.34
1,00,001	and above	151	1.30	31,07,18,040	86.91
Total		11,665	100.00	35,75,20,000	100.00

**I. Shareholding Pattern as on 31st March, 2010**

Category	No. of shares held	Percentage of shareholding
1. Promoters' Holding		
1. Indian Promoters		
- Individual	59,50,001	16.64
- Bodies Corporate	1,47,78,810	41.34
- Foreign Promoters	—	—
2. Persons acting in concert	—	—
Sub-Total - (1)	2,07,28,811	57.98
2. Non-Promoters' Holding		
Institutional Investors		
a. Mutual Funds and UTI	3,42,400	0.96
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	12,900	0.04
c. FII's	—	—
Sub-Total - (2)	3,55,300	1.00
3. Others		
a. Private Corporate Bodies	72,92,460	20.40
b. Individuals	73,75,429	20.62
Sub-Total - (3)	1,46,67,889	41.02
Grand Total (1)+(2)+(3)	3,57,52,000	100.00

Prudential Sugar Corporation Limited



J. Listing on Stock Exchange with Stock Code

Name of the Stock Exchange	Stock Code	Address
1. The Hyderabad Stock Exchange Limited	PRUDSU\$	3-6-275, Himayat Nagar, Hyderabad - 500 029.
2. The Stock Exchange, Mumbai	500342	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
3. National Stock Exchange of India Limited	PRUDMOULI	Exchange Plaza, 5th Floor, Plot No. C/1 G Block, Bandra Kurla Complex, (East) Mumbai - 400 051.
4. Madras Stock Exchange	PRUDENTSUG	Exchange Building, Post Box No. 183, 11 Second Line Beach, Chennai - 600 001.
5. The Stock Exchange, Ahmedabad	PRUDSUG	Main Chowk, Ahmedabad - 480 001.

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

L. Plant Location

"PRUDENTIAL NAGAR", P.O. Koppedu, Nindra Mandal, Chittoor District, Andhra Pradesh, Pin - 517 587, Phones: 08576-271093, 271202, Fax: 08576-271201.
Email: prudentialsugars@yahoo.com

M. Address for Correspondence

Prudential Sugar Corporation Limited, "Akash Ganga", 4th Floor, Plot No. 144, Door No. 8-3-1053, Sri Nagar Colony, Hyderabad - 500 073. A.P. Phones: 040-23746451, 23746692, Fax: 040-66822871 and Registered Office at "PRUDENTIAL NAGAR", P.O. Koppedu, Nindra, Chittoor District, Andhra Pradesh, Pin - 517 587, Phones: 08576-271093, Fax: 08576-271201, Email: prudentialsugars@yahoo.com

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

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

Prudential Sugar Corporation Limited



Certified by Vice President (Commercial)

- I, Pradeep Kumar Baid, Vice President (Commercial) of Prudential Sugar Corporation Limited certify that:
- a. I have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
 - b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
 - c. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
 - d. I have indicated to the Auditors and the Audit Committee
 - i. Significant changes in internal controls during the year, if any.
 - ii. that there are no significant changes in accounting policies during the year.
 - iii. that there have been no instances of significant fraud of which I have become aware, involving the management of an employee having a significant role in the Company's internal control system.

Place : Nindra

Date : 01/09/2010

Pradeep Kumar Baid

Vice President (Commercial)

Auditors' Certificate to the members of Prudential Sugar Corporation Limited on Compliance of the conditions of Corporate Governance for the year ended 31st March, 2010 under clause 49 of the Listing Agreement with the Stock Exchanges

We have examined the compliance of the conditions of Corporate Governance by Prudential Sugar Corporation Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges (hereinafter referred to as Clause 49).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has by 31st March, 2010, complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49, except appointment of Company Secretary.

As required by the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, the Company have certified that as on 31st March, 2010 there were no investor grievances remaining pending for a period exceeding one month, and as explained to us by the management, the Company have reported to the Shareholders/Investors' Grievances Committee regularly on the status of such grievances.

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

Place : Nindra

Date : 01/09/2010

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

Smt. Sharada G. Patil

Partner

Membership No. 015332



AUDITORS' REPORT

To

The Members,

PRUDENTIAL SUGAR CORPORATION LIMITED

1. We have audited the attached Balance Sheet of M/s **PRUDENTIAL SUGAR CORPORATION LIMITED** as at 31.03.2010 and the Profit and Loss Account of the Company for the year ended on that date and also the Cash Flow statement for the year ended thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
 - c. The Balance Sheet, Profit and Loss Account and Cash flow Statement referred to in this report are in agreement with the books of accounts;
 - d. In our opinion, the Profit and Loss Account, Balance Sheet and the Cash Flow Statement comply with the requirements of the Accounting standards (AS) referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 **non accounting of interest on accrual basis and non provision of liabilities as per AS-29 refer Note Nos. 1, 2 and 7 in Schedule N** .
 - e. based on the representations made by the Directors of the Company and the information and explanations as made available, Directors of the Company do not prima facie have any disqualification as referred to in clause (g) of Sub section (1) to section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, Subject to para(d) above, the impact of non accounting of interest/liabilities is that the loss for the year is understated by Rs. 76.80 lacs and cumulative impact is that the liabilities are understated by Rs.718.93 lacs refer Note No. 1,2 and 7 of Schedule "N" . Also providing of less Depreciation @ 5.28% on Sugar work Rollers whereas eligible depreciation as per schedule XIV of the Companies Act is 100% refer 2.b in schedule P, the impact is that

Prudential Sugar Corporation Limited



the cumulative loss is understated and the assets are overstated by Rs.25.98 Lacs **Note No. 1 (e) in Schedule N regarding non redemption of Preference Shares of Rs.408 Lacs and non-providing of Dividend. Refer Note No. 5 in Schedule N regarding non confirmation/ reconciliation of Sundry Debtors, Creditors, Secured Loans, Unsecured Loans, Loans and advances, Other Current assets and Current Liabilities the impact of which on assets/ liabilities and loss is unascertained**, gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
- ii. in the case of the Profit and Loss Account, of the Loss of the company for the year ended on that date and
- iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Place : Nindra
Date : 01/09/2010

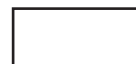
Smt. Sharada G. Patil
Partner
Membership No. 015332



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date:

- i. a. The company has maintained proper records showing full particulars, including quantitative details and situations of Fixed assets, Which is required to be updated.
- b. As explained to us, All the assets have not been physically verified by the Management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, No material discrepancies were noticed on such verification.
- c. According to the information and explanation furnished to us, the company has not disposed of a substantial part of its fixed assets during the year.
- ii. a. According to the information and explanation furnished to us, the Management has physically verified inventories during the year. In our opinion, the frequency of such verification is reasonable.
- b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. According to the information furnished to us, the Company is maintaining proper records of its inventory and the discrepancies, if any, noticed on verification between the physical stocks and the book records were not material, and have been properly dealt within the books of accounts..
- iii. a. The Company has not granted any loans to companies and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. According to the information & explanation furnished to us, the Company had taken unsecured loans from Six parties, covered under register maintained under Section 301 of the Companies Act, 1956. During the year it has accepted Rs. 420 Lacs & repaid Rs.455 Lacs. The year-end balances of loans taken from such parties were Rs 574.50 Lacs.
- c. In our opinion, the rate of interest and other terms and conditions on which loans were taken from Companies, firms, or other parties covered under the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
- d. According to the information and explanation given to us, the company is regular in repayment of the principle and interest amounts wherever applicable as stipulated on the loans taken by it from the parties listed in the registers maintained under section 301 of the companies Act 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal controls.
- v. a. Based on the information and explanations given to us, we are of the opinion that the transactions that are required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.



- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of each party have been entered during the Financial year at price which are reasonable having regard to prevailing market prices at relevant time.
- vi. In our opinion and according to the information and explanations given to us, The Company has not accepted any fresh deposits during the year within the purview of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion and according to the information and explanations given to us, the company has an internal audit system which in our opinion, considering the size and nature of company's business, need to be further strengthened.
- viii. We have broadly reviewed the Cost Records maintained by the Company pursuant to the order of The Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. a. In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Excise duty and other statutory dues with appropriate authorities except Provident fund, Professional Tax which has been deposited with delays/ not deposited.
- b. In our opinion and according to the information and explanations given to us, the undisputed statutory dues outstanding as at 31.03.2010 for a period of more than six months are Purchase Tax, CDCF, and Dividend Distribution Tax Totaling to Rs. 349.78 Lacs.
- c. In our opinion and according to the information and explanations given to us, the following amounts of Sales tax has been disputed by the company and hence, were not deposited with the concerned authorities as at 31st March, 2010.

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

- x. In our opinion and according to the information and explanations given to us, companys' accumulated losses at the end of the financial year are less than 50% of its net worth and it has not incurred cash loss in current financial year as per books and also has not incurred cash losses in immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues, to the financial institutions, the details for which as per books are given below. The Company has not issued any Debentures.

Sl. No.	Name of the Bank	Default
1.	I I B I	324.27 Lacs
2.	I F C I	245.40 Lacs

(Assigned to Sri Venkateswara Sugar & Industries Pvt. Ltd.,)

Prudential Sugar Corporation Limited



- xii. According to the information furnished to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us,, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company during year under report.
- xiv. According to the information furnished to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirement of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company..
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. Based on information & explanation given to us by the Management, during the year term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on the overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have, prima-facie, not been used for long term investments.
- xviii. According to the information and explanation furnished to us, the company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanation given to us, the Company has not issued any debentures during the year under report. .
- xx. The company has not raised any monies through public issues of its securities during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Place : Nindra
Date : 01/09/2010

Smt. Sharada G. Patil
Partner
Membership No. 015332

Prudential Sugar Corporation Limited



BALANCE SHEET AS AT 31st MARCH, 2010

DESCRIPTION	SCHEDULE	As at 31.03.2010 In Rupees	As at 31.03.2009 In Rupees
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	A	32,33,20,000	32,33,20,000
b. Reserves & Surplus	B	15,00,000	15,00,000
2. Loan Funds			
a. Secured Loans	C	20,66,98,486	20,82,83,690
b. Unsecured Loans	D	5,82,71,750	8,67,71,750
Total		<u>58,97,90,236</u>	<u>61,98,75,440</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block		61,88,48,937	61,90,97,537
b. Less: Depreciation		30,52,49,789	27,76,87,237
		<hr/>	<hr/>
c. Net Block		31,35,99,148	34,14,10,300
2. Investments	F	55,28,005	55,28,005
3. Current Assets, Loans and Advances			
a. Inventories		27,08,25,816	25,36,80,746
b. Sundry Debtors		7,46,05,471	7,41,06,742
c. Cash & Bank Balances		1,08,60,093	64,13,924
d. Loans and Advances		6,58,79,450	2,24,87,278
		<u>42,21,70,830</u>	<u>35,66,88,690</u>
Less: Current Liabilities and Provisions	H	30,21,85,761	23,56,35,177
Net Current Assets		11,99,85,069	12,10,53,513
4. Deferred Tax Asset (Net) (Refer notes to account)		9,32,52,885	10,37,91,737
5. Profit & Loss Account		5,74,25,129	4,80,91,884
Total		<u>58,97,90,236</u>	<u>61,98,75,440</u>

Notes, Schedules and Statement on Accounting Policies form an integral part of Balance Sheet

For and on behalf of the Board

As per our report of even date

For **Laxminivas & Jain**

Chartered Accountants

Firm Regd. No. 001859S

Place : Nindra
Date : 01/09/2010

Vinod Baid
Chairman

Ch. Krishnamoorthy
Managing Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

Prudential Sugar Corporation Limited



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2010

PARTICULARS	SCHEDULE	Year ending 31.03.2010 In Rupees	Year ending 31.03.2009 In Rupees
INCOME			
Income from Operations	I	75,30,23,949	53,24,37,950
Less: Excise Duties		3,07,71,598	3,31,56,770
		72,22,52,351	49,92,81,180
Other Income	J	26,04,947	93,91,321
Increase/(Decrease) in Stock	K	1,89,44,581	11,70,12,029
Total		74,38,01,879	62,56,84,530
EXPENDITURE			
Cost of Materials Consumed	L	60,85,60,482	47,30,09,030
Manufacturing, Personnel, Selling, Administrative and Other Expenses	M	8,20,40,746	9,13,25,367
Interest & Financial Charges		2,38,06,701	3,04,41,627
Depreciation		2,78,76,052	2,77,85,609
Total		74,22,83,981	62,25,61,633
Profit/(Loss) Before Tax		15,17,898	31,22,897
Less: Provision for Fringe Benefit Tax		—	2,35,941
Adjustment for Tax - Earlier Years		3,12,290	—
Profit/(Loss) After Tax		12,05,608	28,86,956
Dividend on Pref. Shares		—	21,00,000
Dividend Distribution Tax		—	3,57,000
Profit After Dividend Tax		12,05,608	4,29,956
Less: Adjustment for Deferred Tax		1,05,38,852	19,59,385
Profit / (Loss) After Tax		(93,33,245)	(15,29,429)
Balance Brought Forward from Previous Year		(4,80,91,884)	4,65,62,455
Balance Carried to Balance sheet		(5,74,25,129)	(4,80,91,884)
Earning per share - Basic and Diluted		(0.33)	(0.06)

Notes, Schedules and Statement on Accounting Policies form an integral part of Profit & Loss Account

For and on behalf of the Board

As per our report of even date

For **Laxminiwas & Jain**

Chartered Accountants

Firm Regd. No. 001859S

Place : Nindra
Date : 01/09/2010

Vinod Baid
Chairman

Ch. Krishnamoorthy
Managing Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

Prudential Sugar Corporation Limited**SCHEDULES FORMING PART OF THE ACCOUNTS****As at 31.03.10
In Rupees****As at 31.03.09
In Rupees****SCHEDULE: A****SHARE CAPITAL****Authorised**

50000000 Equity Shares of Rs.10/- each	50,00,00,000	50,00,00,000
5000000 16% Cum. Redeemable Pref. Shares of Rs.50/- each	25,00,00,000	25,00,00,000
	<u>75,00,00,000</u>	<u>75,00,00,000</u>

Issued and Subscribed

a. 1,54,06,400 Equity Shares of Rs.10/- each	15,40,64,000	15,40,64,000
b. 1,00,00,000 Equity Shares of Rs.10/- each issued at a premium of Rs.10/- each	10,00,00,000	10,00,00,000
c. 1,03,45,600 Equity Shares of Rs.10/- each (Converted from 2586400 Equipref Shares of Rs.40/- each)	10,34,56,000	10,34,56,000
d. 20,000 16% Cum. Redeemable Pref. Shares of Rs.40/- each (Rs. 10/- converted into Equity)	8,00,000	8,00,000
e. 10,00,000 16% Cum. Redeemable Pref. Shares of Rs. 50/- each (Redeemable at any time on or before 10/02/2006)	5,00,00,000	5,00,00,000

Called Up and Paid Up

a. 1,54,06,400 Equity Shares of Rs.10/- each fully paid up	15,40,64,000	15,40,64,000
b. 1,00,00,000 Equity Shares of Rs.10/- each issued at a premium of Rs.10/- each called up and paid up @ Rs. 2.50 each	2,50,00,000	2,50,00,000
c. 1,03,45,600 Equity Shares of Rs.10/- each (Converted from 25,86,400 Equipref Shares of Rs.40/- each)	10,34,56,000	10,34,56,000
d. 20,000 16% Cum. Redeemable Pref. Shares of Rs.40/- each (Rs.10/- converted into Equity)	8,00,000	8,00,000
e. 10,00,000 16% Cum. Redeemable Pref. Shares of Rs. 50/- each Rs. 40/- per share each called up and paid up	4,00,00,000	4,00,00,000
	<u>32,33,20,000</u>	<u>32,33,20,000</u>

Prudential Sugar Corporation Limited



As at 31.03.10
In Rupees

As at 31.03.09
In Rupees

SCHEDULE: B

RESERVES & SURPLUS

A. Capital Reserves - Investment Subsidy	15,00,000	15,00,000
B. Balance In Profit & Loss Account	(5,74,25,129)	(4,80,91,885)
	(5,59,25,129)	(4,65,91,885)

SCHEDULE: C

SECURED LOANS

Term Loans from:

IFCI Limited (Sri Venkateswara Sugar & Industries Pvt. Ltd. in terms of assignment of Loan of IFCI)	2,45,40,054	2,45,40,054
IIBI	1,55,25,000	1,55,25,000
Interest Accrued and Due (The above loan is secured by 1st Charge on the Fixed Assets of the Company and guaranteed by one of the Directors and one former Director) (Payable within one year - NIL)	1,72,00,732	1,69,02,000
	5,72,65,786	5,69,67,054

Cash Credit account from Banks	4,92,46,601	11,00,94,846
Crop Loan from Banks	4,00,00,000	4,00,00,000
Term Loan from Banks (Payable within One Year - Nil) (The above loans are Secured by Hypothecation of Inventories, Book debts and also secured by 2nd charge on all the Fixed Assets of the Company, further guaranteed by one Director /one Former Director and three Corporate bodies)	5,97,50,000	—
Vehicle Loan from Bank (Secured by Hypothecation of vehicle purchased) (Payable within One Year - Rs.3,76,103 and P.Y. Rs.7,85,691)	4,36,099	12,21,790
	20,66,98,486	20,82,83,690

SCHEDULE: D

UNSECURED LOANS

Deferred Payment Credit from Eqpt. Supplier	—	2,50,00,000
Loan from Directors/Relatives	5,74,50,000	6,09,50,000
Loan from Corporate Bodies	8,21,750	8,21,750
	5,82,71,750	8,67,71,750



**SCHEDULE: E
FIXED ASSETS**

(In Rupees)

Sl. No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost upto 01.04.2009	Additions during the year	Deductions during the year	Cost upto 31.03.2010	Upto 01.04.2009	Additions for the year	Deductions during the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1.	Land	1,63,43,937	—	—	1,63,43,937	—	—	—	—	1,63,43,937	1,63,43,937
2.	Plant & Machinery	41,45,18,389	47,000	—	41,45,65,789	20,33,32,418	2,17,79,335	—	22,51,11,753	18,94,54,036	21,11,85,971
3.	Furniture & Fittings	2,37,92,613	34,000	—	2,38,26,613	1,60,54,287	14,96,321	—	1,75,50,608	62,76,005	77,38,326
4.	Buildings	15,77,17,744	—	—	15,77,17,744	5,40,41,972	42,31,131	—	5,82,73,103	9,94,44,641	10,36,75,772
5.	Vehicles	67,24,854	—	3,30,000	63,94,854	42,58,560	3,69,266	3,13,500	43,14,326	20,80,528	24,66,294
	Total	61,90,97,537	81,400	3,30,000	61,88,48,937	27,76,87,237	2,78,76,053	3,13,500	30,52,49,790	31,35,99,147	34,14,10,300
	Previous year	61,67,67,565	23,29,972	—	61,90,97,537	24,99,01,628	2,77,85,609	—	27,76,87,237	34,14,10,300	36,68,65,937

Prudential Sugar Corporation Limited



**As at 31.03.10
In Rupees**



**As at 31.03.09
In Rupees**

SCHEDULE: F

INVESTMENTS

**A. Trade Investment in Shares and Bonds - Quoted
Shares and Debentures**

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

B. Unquoted

1. National Savings Certificate (Lodged with Forest Department)	11,000	11,000
2. 5,50,000 Equity Shares of Rs.10/- each in Prudential Spinners Ltd.,	55,00,000	55,00,000
	55,28,005	55,28,005
1. Aggregate of Quoted Investments - Cost	17,005	17,005
- Market Value	30,982	16,915
2. Aggregate of Unquoted Investments - Cost	55,11,000	55,11,000
3. All the above are Long Term Investments		

Prudential Sugar Corporation Limited



As at 31.03.10
In Rupees

As at 31.03.09
In Rupees

SCHEDULE: G

CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets

1. Inventories (as certified by management)		
a. Stores and Spare parts	5,09,99,877	5,28,17,169
b. Loose tools	3,22,616	3,04,835
c. Stock-In-Trade	21,69,65,824	19,88,57,742
d. Works-In-Progress	25,37,500	17,01,000
	27,08,25,816	25,36,80,746
2. Sundry Debtors (unsecured and considered good)		
a. Debts outstanding for a period exceeding six months.	—	—
b. Other debts	7,46,05,471	7,41,06,742
	7,46,05,471	7,41,06,742
3. Cash & Bank Balances		
a. Cash balance in hand	2,12,119	7,26,668
b. Bank balances		
— with scheduled banks		
i. in Current A/c	1,03,90,604	54,29,886
ii. in Deposit A/c (given as lien against Bank Guarantee)	2,57,370	2,57,370
	1,08,60,093	64,13,924

B. Loans and Advances (unsecured and considered good)

1. Advances recoverable in cash or kind or for value to be received		
	6,26,16,986	1,87,93,217
2. Deposits		
- With Government	17,08,285	17,48,418
- TDS Recoverable	6,983	97,447
- With Others	15,47,197	18,48,197
	6,58,79,450	2,24,87,278

SCHEDULE: H

CURRENT LIABILITIES & PROVISIONS

A. Current Liabilities

1. Sundry Creditors - due to others		
Due to MSMED**	—	—
2. Other Current Liabilities	9,21,77,871	8,08,38,350
3. Book Over Drafts	3,80,649	56,745

B. Provisions

1. Provision for retirement benefits		
	80,21,230	46,50,841
2. Provision for fringe benefit tax	—	2,35,941
3. Provision for MAT	—	7,574
	30,21,85,761	23,56,35,177

**Based on the information available with the Company

Prudential Sugar Corporation Limited



**For the year
ending 31.03.10
In Rupees**

**For the year
ending 31.03.09
In Rupees**

SCHEDULE: I

INCOME FROM OPERATIONS

Sale of Sugar	68,70,00,599	45,02,53,156
Sale of Molasses	5,77,47,457	7,13,13,893
Sale of Bagasse & Filter Cake	82,60,893	1,07,83,751
Sale of Scrap	15,000	87,150
	<u>75,30,23,949</u>	<u>53,24,37,950</u>

SCHEDULE: J

OTHER INCOME

Income from Allied Services	26,04,947	18,00,970
Income from Transport subsidy from Govt.	—	27,33,750
Gain on Foreign Exchange Fluctuation	—	48,56,601
	<u>26,04,947</u>	<u>93,91,321</u>

SCHEDULE: K

INCREASE/(DECREASE) IN STOCK

Closing Stock		
Stock in Trade	21,69,65,823	19,88,57,742
Work in Process - Sugar	25,37,500	17,01,000
	<u>21,95,03,323</u>	<u>20,05,58,742</u>
Opening Stock		
Stock in Trade	19,88,57,742	7,73,11,963
Work in Process - Sugar	17,01,000	62,34,750
	<u>20,05,58,742</u>	<u>8,35,46,713</u>
Increase/(Decrease) in Stock	<u>1,89,44,581</u>	<u>11,70,12,029</u>

SCHEDULE: L

COST OF MATERIAL CONSUMED

	60,85,60,482	47,30,09,030
	<u>60,85,60,482</u>	<u>47,30,09,030</u>

Prudential Sugar Corporation Limited



**For the year
ending 31.03.10
In Rupees**

**For the year
ending 31.03.09
In Rupees**

SCHEDULE: M

**MANUFACTURING, PERSONNEL, SELLING,
ADMINISTRATIVE AND OTHER EXPENSES**

1. Manufacturing

Fuel & Consumables	43,47,522	45,40,281
Packing & other Materials	77,65,986	94,37,876
Cost of Chemicals & Consumables	39,28,706	58,38,581
Repairs & Maintenance - Plant and Machinery	1,41,07,599	1,63,10,689
- Buildings	4,14,729	4,29,318
- Others	16,39,090	26,74,349
Freight & Handling Charges	16,97,627	75,69,230
Cane Development Expenses	5,78,452	98,359
Insurance	5,75,209	7,61,502

2. Personnel

Salaries, Wages and Bonus	3,22,26,325	2,99,03,245
Contribution to P.F., Gratuity and Other Funds	56,63,899	31,65,936
Welfare expenses-Workmen & Staffs	15,21,046	14,88,091

3. Selling

Transport & Loading Charges	19,49,694	29,83,385
Sales Commission	4,66,350	3,37,030

4. Administrative

Travelling Expenses	14,46,155	11,31,435
Rent	1,59,295	4,58,520
Rates, Fees & Taxes	1,82,931	2,19,525
Printing & Stationery	2,29,022	4,12,352
Postage & Telephones	3,19,067	3,17,579
Consultancy Fee	6,17,803	6,54,510
Audit Fee and Certification Charges	2,00,000	1,75,000
Advertisement	15,097	29,796
Donation	1,27,913	1,25,250
Listing Fee	80,632	56,180
Bank Charges	2,78,276	6,77,451
Miscellaneous	15,02,319	15,29,896

8,20,40,746

9,13,25,367

For and on behalf of the Board

As per our report of even date
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Place : Nindra
Date : 01/09/2010

Vinod Baid
Chairman

Ch. Krishnamoorthy
Managing Director

Smt. Sharada G. Patil
Partner
Membership No. 015332



SCHEDULE: N

NOTES TO ACCOUNTS

1. Contingent Liabilities / Liabilities not provided

- a. Company has entered into a Settlement Agreement with Ashok Leyland Finance Limited or Rs. 28.52 lacs payable in 3 installments. Out of the the said settled amount company has already paid a sum of Rs.20 lacs. The Company has requested further time for payment of balance amount and the same is under consideration of M/s. Ashok Leyland Finance Limited. On receipt of the full amount the cases will be withdrawn by Ashok Leyland Finance Limited. In case of failure, an additional amount of Rs. 10.69 lacs (PY - Rs.9.63 lacs) to be further provided in the Books of Accounts.
- b. Claims Rs.22.08 Lacs (P.Y.- 22.08 Lacs) by Soubhagya Advertising Associates for services for which an appeal is pending with High Court of Andhra Pradesh.
- c. Counter guarantee given by company against Bank Guarantee is Rs.2.57 Lacs (Previous Year Rs. 2.57 lacs).
- d. Sales Tax claim of Rs.22.80 Lacs (Previous Year Rs. 22.80 Lacs) for which an appeal is pending with High Court of Andhra Pradesh. The Company has paid Rs. 11.65 lacs (P.Y. Rs.11.65 lacs) against above claim which is shown as deposit recoverable in the books of accounts.
- e. The Company had issued 16% Cumulative Redeemable Preference Shares to promoters in the year 1995-96 redeemable on or before 12.01.2005 which is pending redeemable to the tune of Rs.8 lacs. The Company had also issued 16% Cumulative Redeemable Preference Shares for Rs.400 lacs in the year 1996-97 redeemable on or before 10.02.2006. The Company could not redeem the above shares in time as it was registered with BIFR, if redeemed with accumulative dividend the liability up to 31.03.2010 shall stand to Rs.2469.14 lacs (previous year Rs.2072.30 Lacs) on account of Dividend.
- f. Disputed claim of interest on delayed payment of Purchase Tax Rs. 362.72 lacs. (P.Y. Rs.362.72 lacs)
- g. Disputed claim of penal charges on delayed payment of Provident Fund Rs. 9.87 lacs.(P.Y. Rs.9.87 lacs)

2. IIBI

Company has entered in to One Time Settlement with IIBI on 27.11.2002 for a sum of Rs.444.27 Lacs. Out of the settled amount company has already paid Rs.120 Lacs. The balance amount was to be paid in 12 installments latest by 31.03.2005. Due to financial constraint company could not fulfill OTS proposal. IIBI has right to reverse the waiver of dues as envisaged in the scheme and restore the original liability as per the terms of the loan agreement entered in by the company as adjust the payment, received towards the same, in event of default of installment or interest on settled amount as envisaged in the sanction letter along with liquidated damages For delay in payment of installments the interest amounting to Rs.254.95 Lacs (P.Y.Rs.216.03 lacs) which includes Rs.38.92 Lacs (P.Y. Rs. 38.92 Lacs) for the Current Year, is not provided as the company's proposal for the waiver of the interest on settled amount is pending with them. And company is hopeful of getting waiver of the same.



3. Custom Duty on Import of Raw Sugar:

	31.03.10	31.03.09
Export Obligation: (Export obligation period extended upto 31.03.11)	14650 Mts	14650 Mts
Duty component to be paid in case of non fulfillment of obligation	Rs.1537.54 lacs	Rs.1537.54 lacs

** No provision is considered necessary since the company expects favorable decision/fulfilling obligation in all the above cases.

4. Company has filed reference application before BIFR and also received reference number. The same has been dismissed and the company has filed an appeal against the order before AAIFR. Meanwhile company has filed another application before BIFR and this also has been dismissed and the company has filed an appeal against the order before AAIFR. Both the appeals are pending before AAIFR.

5. Balance in Sundry Debtors, Creditors, Secured Loans, Unsecured Loans, Loans and Advances, Other Current Assets and Current Liabilities are subject to reconciliation/confirmation. In the opinion of the management Debtors, Loans and Advances and other Current Assets are fully realizable.

6. During the year Company got conversion of its Working Capital loan into Term Loan amounting Rs. 597.50 lacs in December 2009 with a moratorium period of 2 years under Govt of India Scheme for Extending Financial Assistance to Sugar Undertakings.

7 The Company had entered into One Time Settlement for amount outstanding to IFCI in the year 2007. However the company could not pay a sum of Rs. 245.50 Lacs out of the above payable amount on or before 31.03.2009. IFCI Limited has advised the company vide their letter that the outstanding debt along with all the rights have been assigned by them to Sri Venkateswara Sugar and Industries Limited. The Company have been approached by SVSIPL for settlement of Dues, which is in process. Pending settlement, an amount of interest on the said loan of Rs 36.82 lacs(P.Y-Nil) is not been provided in the books of account.

8. The KCP Limited

During the year company has fully settled the account of KCP Limited by payment of Rs. 250 Lacs under compromise decree with KCP Limited.

	31.03.2010	31.03.2009
	Rupees	Rupees
9. Auditors' remuneration represents		
a. Statutory Audit Fees	1,75,000	1,50,000
b. Tax Audit Fees	25,000	25,000
	<u>2,00,000</u>	<u>1,75,000</u>
10. Tax deducted at sources on interest receipts	<u>6,983</u>	<u>14,670</u>

11. The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act have not been given.

Prudential Sugar Corporation Limited



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

13. Earnings per shares (EPS)	2009-10 (Rs.in lacs)	2008-09 (Rs. In lacs)
Basic and Diluted:		
Profit/(Loss) attributable to equity holders	(94.61)	(16.57)
Weighted average number of shares	2,82,52,000	2,82,52,000
EPS - (Rs.)	(0.33)	(0.06)

14. Deferred Tax Assets

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

Nature of timing difference

	Deferred Tax Asset/ Liability) as at 01.04.2009 (Rs.in lacs)	(Charge)/Credit for the current year (Rs.in lacs)	Deferred Tax Asset/ (Liability) as at 31.03.2010 (Rs. In lacs)
a. Deferred Tax Asset			
Items covered u/s 43 B	243.27	5.55	237.72
Brought forward losses	1559.27	159.03	1400.24
Sub Total - A	<u>1802.54</u>	<u>164.58</u>	<u>1637.96</u>
b. Deferred Tax Liability			
Depreciation	(764.63)	(59.20)	705.43
Sub Total - B	<u>(764.63)</u>	<u>(59.20)</u>	<u>705.43</u>
c. NET AMOUNT	1037.91	105.38	932.53

15. Disclosure Pursuant To AS-28 on "IMPAIRMENT OF ASSETS"

The Company during the year, has reviewed carrying value of the Assets for finding out the impairment, if any. The review has not revealed any impairment of Assets.

16. RELATED PARTY DISCLOSURES

I. RELATED PARTIES

A. KEY MANAGERIAL PERSONNEL

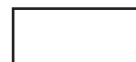
Sri Vinod Baid, Chairman
Sri Ch Krishnamoorthy, Managing Director

B. Relatives of Key Managerial Personnel

Ms Aruna Ramni Krishna
Ms Kavita C
Ms Sucharita
Ms Sumalatha

C. ENTERPRISES IN WHICH KEY MANAGERIAL PERSONNEL

O.R Distilleries
Krishna Teja Group College



II. RELATED PARTY TRANSACTION

	Key Managerial Personnel	Relatives of key Managerial	Enterprises Personnel
			(Amt in lacs)
Acceptance of Unsecured Loans			
Opening Balance	394.50	215.00	Nil
Acceptance during the year	380.00	Nil	40.00
Paid during the year	415.00	Nil	40.00
Closing balance	359.50	215.00	Nil
Sale of Molasses			532.24
Advance against sales			312.32
			(Amt in Lacs)
		31.03.10	31.03.09
17. Advance Due from officers (Senior Executives of the Company	1.88		1.80
Maximum Amount due from officers (Senior Executives) of the Company	2.43		1.97

18. Additional Information:

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

A. PARTICULARS REGARDING CAPACITY.

Class of Goods	As on 31.03.2010		As on 31.03.2009	
	Unit	Quantity	Unit	Quantity
i. Sugar-Capacity				
a) Licenced	TCD	2500	TCD	2500
b) Installed	TCD	2500	TCD	2500
c) Actual production	QTs.	222325	QTs	290440
ii. Molasses (by product)				
a) Actual production	MTs	11679	MTs	15440



iii. **Sales & Stock**

	Unit	Qty.	2010 Value Rs. in Lacs	Unit	Qty.	2009 Value Rs. in Lacs
a) Sales						
Sugar	QTs	232225	6870.00	QTs	260318	4502.53
Molasses	MTs	12345	577.47	MTs	14409	713.14
Bagasse	MTs	8142	82.61	MTs	13697	106.96
Filter Cake	MTs	—	—	MTs	1736	0.87
			<u>7530.08</u>			<u>5323.50</u>
b) Stock						
Sugar	QTs	70600	1979.52	QTs	80565	1748.26
Molasses	MTs	2687	155.13	MTs	3353	210.32
Bagasse	MTs	3500	35.00	MTs	2500	30.00
IN-PROCESS						
Sugar	QTs	875	25.38	QTs	810	17.01
			<u>2195.04</u>			<u>2005.59</u>
iv. Details of Raw Material Consumed						
Sugarcane	MTs	259221	5953.54	MTs	317468	4730.49
Raw Sugar	MTs	420	132.07	MTs	—	—
			<u>6085.61</u>			<u>4730.49</u>
v. Value of imported and indigenous material consumed						
Raw material		Percentage	Amount		Percentage	Amount
Indigenous		97.83	5953.54		100	4730.49
Imported		2.17	132.07		—	—
			<u>6085.61</u>			<u>4730.49</u>
vi. Value of imported and indigenous chemicals and consumables consumed						
Chemicals & consumables		Percentage	Amount		Percentage	Amount
Indigenous		100	39.29		100	58.39
Imported		—	—		—	—
			<u>39.29</u>			<u>58.39</u>

19. Earnings in foreign currency for sale of sugar — Nil

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



**SCHEDULE: P
SIGNIFICANT ACCOUNTING POLICIES**

1. General

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

2. Fixed Assets and Depreciation

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

3. Investments

Investments are stated at cost price.

4. Inventories

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

5. Revenue recognition

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

6. Grants

- a. Grants relating to capital cost is treated capital reserve.
- b. Grants relating to revenue is treated as income.

7. Retirement Benefits

Contribution to Provident Fund is made monthly, at a predetermined rate, to the Commissioner of Provident Fund and debited to the Profit & Loss Account on accrual basis. Leave Encashment and Gratuity is provided on the basis as if all the eligible employees retire on the date of Balance Sheet.

8. Cenvat Credit on Capital goods

Cenvat credit on capital goods is adjusted and taken credit out of the sale proceeds



9. Miscellaneous Expenditure

Capital Issue Expenses / Preliminary Expenses are being amortized over a period of 10 years.

10. Taxes

Provision for current tax is made after taking into consideration benefits under the provision of the Income-Tax Act, 1961.

Deferred Tax is provided and recognized on timing differences between taxable income and accounting income subject to consideration of prudence.

11. Foreign Currency Transaction

Transaction in foreign currency are accounted for at the exchange rates prevailing on the date of transaction. Foreign currency current assets and current liabilities as at the year and other than those relating to fixed assets are translated at the applicable year and exchange rate and exchange differences, if any, are recognized in the Profit & Loss account. Foreign currency transactions covered under forward contracts are accounted for at the contracted rates.

12. Impairment of Assets

An Asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An Impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

For and on behalf of the Board

As per our report of even date
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859S

Place : Nindra
Date : 01/09/2010

Vinod Baid
Chairman

Ch. Krishnamoorthy
Managing Director

Smt. Sharada G. Patil
Partner
Membership No. 015332

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

Registration No.	:	32731	State Code	:	01
Balance Sheet Date	:	31.03.2010			

2. Capital Raised during the year (Rs. in Lacs)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

3. Position of Mobilisation and Deployment of Funds (Rs. in Lacs)

Total Liabilities	:	5887.90	Total Assets	:	5887.90
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Source of Funds

Paid up Capital (Equity)	:	2825.20	Paid up Capital (Preference)	:	408.00
Reserves & Surplus	:	15.00	Secured Loans	:	2066.98
Unsecured Loans	:	572.72			

Application of Funds

Net Fixed Assets	:	3135.99	Investments	:	55.28
Net Current Assets	:	1189.85	Misc. Exps.	:	—
Profit and Loss A/c	:	574.25	Deferred Tax Asset	:	932.53

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

Turnover (including increase/decrease in stock & other income)	:	7438.02	Total Expenditure	:	7422.84
Profit before Tax	:	15.18	Prior period adjustments	:	Nil
Profit after Tax	:	(93.33)	Earning per Share	:	(0.33)
Dividend Rate	:	NIL			

5. Generic Names of three Principal Services of Company

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

For and on behalf of the Board

Place : Nindra
Date : 01/09/2010**Vinod Baid**
Chairman**Ch. Krishnamoorthy**
Managing Director

Prudential Sugar Corporation Limited**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010**

	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		(Rs. in lakhs)
Net Profit / Loss before Tax	15.17	31.23
Adjustments for:		
Depreciation	278.76	277.86
Other Income	(26.04)	(93.91)
Interest	238.07	304.32
Taxation	(3.12)	(5.93)
Profit/Loss on sale of Assets	—	—
Operating Profit before working capital changes	502.84	513.67
Adjustment for:		
Trade and Other Receivables	(438.90)	737.00
Inventories	(171.45)	(1150.64)
Change in Other Current Assets	—	(0.10)
Trade Payables	665.51	(270.78)
Cash Generated from Operations	558.00	(170.83)
Interest paid	(238.07)	(304.42)
Dividend Paid	—	(21.00)
Net Cash from Operating Activities	319.93	(496.29)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(0.81)	(11.06)
Sale of Fixed Assets	0.16	—
Other Income	26.04	93.91
Net Cash from Investing Activities	25.39	82.85
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowing	(15.86)	(196.19)
Increase / (Decrease) in other Borrowings	(285.00)	809.50
Redemption of Pref. Shares	—	(200.00)
Net Cash used in Financing Activities	(300.86)	413.31
Net increase in Cash and Cash Equivalents	44.46	(0.13)
Opening balance of Cash and Cash Equivalents	64.14	64.27
Closing balance of Cash and Cash Equivalents	108.60	64.14

For and on behalf of the Board

As per our report of even date
For **Laxminiwas & Jain**
Chartered Accountants
Firm Regn. No. 001859SPlace : Nindra
Date : 01/09/2010**Vinod Baid**
Chairman**Ch. Krishnamoorthy**
Managing Director**Smt. Sharada G. Patil**
Partner
Membership No. 015332

Prudential Sugar Corporation Limited



Prudential Sugar Corporation Limited



PRUDENTIAL SUGAR CORPORATION LIMITED

Regd. Office: "Prudential Nagar", Koppedu Post,
Nindra Mandal, Chittoor Dist. 517 587. A.P.

PROXY FORM

Folio No.....

I/We ofin
.....being a Member(s) of PRUDENTIAL SUGAR CORPORATION LIMITED
hereby appoint..... of or failing
him/her..... ofin the district of
.....as my/our proxy to attend and vote for me/us, on my/our
behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th
September, 2010 at 10.00 A.M. at the Registered Office of the Company at "Prudential Nagar"
Koppedu Post, Nindra Mandal, Chittoor District, Andhra Pradesh, 517 587 and at any adjournment
thereof.

Signed this day of Two Thousand Ten.

Signature(s) of the Shareholder(s)

Folio No.

No. of Shares

Distinctive Nos.

Affix Re.1/-
Revenue
Stamp

(Signature of the Member across the Stamp)

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

2. A PROXY NEED NOT BE A MEMBER

PRUDENTIAL SUGAR CORPORATION LIMITED

Regd. Office: "Prudential Nagar", Koppedu Post,
Nindra Mandal, Chittoor Dist. 517 587. A.P.

ATTENDANCE SLIP

Folio No.

Name of the attending Member

Name of the Proxy*.....

*(If Proxy attends instead of member)

I hereby record my presence at the 19th Annual General Meeting.

Venue : Registered Office: **M/s. PRUDENTIAL SUGAR CORPORATION LIMITED**
"PRUDENTIAL NAGAR", Koppedu Post, Nindra Mandal, Chittoor District, 517 587, A.P.

Date : Thursday, 30th September, 2010

Time : 10.00 A.M.

Signature of the Member/Proxy

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

**BOOK-POST
PRINTED MATTER**

If undelivered, please return to:



Prudential Sugar Corporation Limited

Regd. Office: "Prudential Nagar", Koppedu Post,
Nindra Mandal, Chittoor Dist. 517 587. A.P.

**19th Annual Report
2009-2010**



Prudential Sugar Corporation Limited