



# THE ANDHRA SUGARS LIMITED

## 67<sup>th</sup> ANNUAL REPORT

### 2013 - 2014

#### BOARD OF DIRECTORS :

**Dr. B. B. Ramaiah**

Chairman & Managing Director

**Sri P. Narendranath Chowdary, B.Sc.**

Managing Director

**Justice G. Ramanujam (Retd.)**

(Upto 25.8.2013)

**Sri A. Ranga Rao**

**Sri M. Narendranath, B.Sc.(Ag.)**

Joint Managing Director

**Sri M. Thimmaraja, B.Tech., M.B.A.(Florida)**

Joint Managing Director

**Sri P. Achuta Ramayya, B.Com., M.B.A.(New York)**

Joint Managing Director

**Dr. A.V. Rama Rao**

**Dr. P. Kotaiah**

**Sri V. S. Raju**

**Dr. Alapaty Appa Rao**

(Upto 30.4.2014)

**Dr. Anumolu Ramakrishna**

(Upto 20.8.2013)

**Sri P.A.Chowdary, I.R.S. (Retd.)**

**Sri P.S.R.V.K. Ranga Rao, B.Com.**

Executive Director

#### COMPANY SECRETARY :

**Sri M. Palachandra, M.Com., A.C.S.**

#### GENERAL MANAGER (FINANCE) & ASST. SECRETARY :

**Sri P.V.S. Viswanadha Kumar, F.C.A., F.C.M.A., A.C.S.**

#### BANKERS :

Andhra Bank

State Bank of India

State Bank of Hyderabad

Bank of Baroda

Indian Bank

#### STATUTORY AUDITORS :

M/s. Brahmayya & Co.

Chartered Accountants

D.No. 33-25-33-B,

Govindarajulu Naidu Street,

Suryaraopet,

Vijayawada - 520002

#### COST AUDITORS :

M/s. Narasimha Murthy & Co.

Cost Accountants

104, Pavani Estate,

3-6-365, Himayat Nagar,

Hyderabad - 500029

#### REGISTERED OFFICE :

Venkatarayapuram

Tanuku - 534 215

West Godavari District

Andhra Pradesh

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**DIRECTORS' REPORT**

To  
The Shareholders

Your Directors have pleasure in presenting this SIXTY SEVENTH ANNUAL REPORT along with the Audited Statement of Accounts for the year ending 31<sup>st</sup> March, 2014.

**Financial Results:**

(Rupees in lakhs)

	<b>This Year</b>	Last Year
Sales	<b>72616.57</b>	83200.31
Other Income	<b>1300.88</b>	1373.57
	-----	-----
	<b>73917.45</b>	84573.88
	-----	-----
Profit for the year	<b>11948.39</b>	17820.52
Depreciation	<b>4325.93</b>	4119.29
	-----	-----
Profit after depreciation	<b>7622.46</b>	13701.23
Add: Excess provision of Income Tax credited back	<b>85.30</b>	--
Add: Income Tax Refund received	<b>86.96</b>	7.61
Less: Short Provision of Income Tax	--	72.42
Less: Exceptional Item (Electricity FSA charges relating to earlier years)	--	1764.15
	-----	-----
	<b>7794.72</b>	11872.27
	-----	-----
Provision for Current Tax	<b>2645.00</b>	3800.00
Provision for Deferred Tax	<b>(304.56)</b>	587.35
Profit after Tax	<b>5454.28</b>	7484.92
Add: Balance brought forward from last year	<b>9836.45</b>	9212.84
	-----	-----
Profit available for appropriation	<b>15290.73</b>	16697.76
	-----	-----
APPROPRIATIONS :		
Transfer to General Reserve	<b>490.00</b>	5000.00
Proposed Dividend on Equity Shares at Rs.5/- per share	<b>1355.35</b>	1626.42
Tax on distributable profits	<b>180.51</b>	234.89
Balance brought forward to next year	<b>13264.87</b>	9836.45
	-----	-----
	<b>15290.73</b>	16697.76
	-----	-----

**PERFORMANCE:**

For the year 2013-14 your Company achieved a Profit of Rs. 76.22 Crores (before tax) against a Profit of Rs.137.01 Crores achieved last year. Net Profit (after tax) declined to Rs. 54.54 Crores from Rs. 74.84 Crores mainly due to depressed selling price of Sugar and increase in Power Tariff.

**The Andhra Sugars Limited**

**DIVIDENDS:**

A Dividend of Rs. 6.00 per Equity Share was paid for the year 2012-13. Your Directors recommend a Dividend of Rs. 5/- per Equity Share (Rs.10/- Paid-up Equity Share) for the year 2013-14. The outflow towards Dividend payment (including tax on distributable profits) would be Rs. 1535.86 Crores. This Dividend, if approved by the Shareholders, will be paid to all the eligible Shareholders.

**CAPITAL & RESERVES:**

**Authorised and Paid-up Capital:**

As on 31.3.2014, the Authorised Capital of the Company is Rs.30 Crores and the Paid-up Share Capital is Rs. 27.11 Crores.

**Reserves:**

With the transfer of Rs. 4.90 Crores during the year under report, the total Reserves as on 31.3.2014 stands at Rs. 536.52 Crores against Rs. 497.34 Crores on 31.3.2013.

**REVIEW OF OPERATIONS:**

**SUGAR UNITS:**

The three Sugar Units together crushed 5, 71,449 MTs of cane during the 2013-14 season against 6,38,641 MTs crushed last year. The crushing operations and cane price paid to cane suppliers for the 2013-14 season are:

	SUGAR UNIT – I TANUKU		SUGAR UNIT – II TADUVAI		SUGAR UNIT - III BHIMADOLE	
	Fin. Year 2013-14	Fin. Year 2012-13	Fin. Year 2013-14	Fin. Year 2012-13	Fin. Year 2013-14	Fin. Year 2012-13
<b>(A) Crushing details:</b>						
Total cane crushed (MT)	<b>152986</b>	178035	<b>264395</b>	272811	<b>154068</b>	187795
Total No. of days crushed	<b>71</b>	77	<b>89</b>	97	<b>72</b>	80
Total Sugar produced (MT)	<b>14102</b>	16639	<b>28806</b>	28627	<b>15012</b>	17689
Average Recovery	<b>9.12%</b>	9.28%	<b>10.66%</b>	10.51%	<b>9.27%</b>	9.27%
<b>(B) Cane price:</b>						
Fair & Remunerative Price (per MT)	<b>2100.00</b>	1700.00	<b>2323.21</b>	2016.00	<b>2100.00</b>	1735.80
Cane price paid (per MT)*	<b>2250.00</b>	2200.00	<b>2385.00</b>	2276.00	<b>2250.00</b>	2200.00

- inclusive of an Incentive of Rs.60/- per MT.
- Cane crush at all the three sugar units was lower compared to the last season due to lower availability of cane and lower number of days of cane crush.
- Recovery achieved at Sugar Unit II was higher compared to Units I and III.
- Unfavourable weather conditions affected the cane yield per acre thereby reducing the quantity of cane crush. This also affected recovery.
- Due to non-availability of harvesting labour and increase in the cost of hiring the labour, farmers opted for cultivation of other crops.
- To encourage farmers to plant cane, your Company opted to pay a cane price higher than the Fair Remunerative Price fixed by the Government.

**POWER GENERATION :**

During the year under report the Co-generation Unit at Taduvai generated 1,50,63,200 Units of Power against 2,10,04,360 Units generated last year.

**PERFORMANCE OF CHEMICAL DIVISION:**

During the year under report the Caustic Soda Division at Saggonda achieved a turnover of Rs. 410.45 Crores compared to Rs. 371.99 Crores achieved last year. Profit after depreciation achieved by this Division this year was Rs. 82.95 Crores against Rs. 82.29 Crores achieved last year. If it was not for substantial increase in "Power Tariff" and "purchase of Additional Power" from "Power Exchanges" at a higher rate in view of the restricted supply from State Electricity Distributing Companies, the performance of the Chemical Units would have been better.

**WIND POWER UNITS:**

The Power generated at Ramagiri Wind Mills during the year is Units 25,40,290 against 24,15,000 Units generated last year.

The Power generation at the Tamil Nadu Wind Mills during the year under report is 2,69,55,509 Units against 3,55,15,616 Units of last year. This Power is being fed into the Tamil Nadu State Electricity Board grid.

**PROJECTS:**

Your Company continues to focus its strategy on expansion and diversification programme.

An Energy Efficient Caustic Soda Plant was commissioned at Saggonda.

At the Jawaharlal Nehru Pharmacy, at Parawada, Visakhapatnam, a Sodium Hypochlorite Plant is being set up. Sodium Hydroxide and Chlorine Gas are the main raw material for this Plant, which will be sourced internally from our Saggonda Plants. Site development and civil foundation works are in progress. Procurement of bought out components required for this project have been initiated. Fabrication of all the process equipment and storage tanks has been completed. Fabrication of the structures for the main process Plant is in progress.

Sodium Hypochlorite is used in the drug and pharmaceutical industries, water treatment, paper and chemical industries. Since the Plant is being put up at the Pharmacy, it will have the advantage of catering to the requirements of user industries in and around Jawaharlal Nehru Pharmacy. This project is expected to be commissioned around the end of 2014.

A Hydrogen Peroxide Plant is being set up at Saggonda. This project would have the locational advantage as Hydrogen which is the main raw material, will be sourced in-house from our Caustic Soda Plant at Saggonda. This product is widely used for Bleaching, Water and Effluent Treatment Plant, Chemical synthesis and allied applications.

For the effective utilisation of Chlorine, which is a bye product at the Caustic Soda Plant, a Chlorinated Paraffins Plant is being set up at Saggonda. Chlorinated Paraffins are mainly used as a Plasticiser. Required steps for implementation have been initiated.

As Power is an essential input for your Company's Chlor Alkali operations, a Coal Based Power Project is being set up at the Chemical Complex at Saggonda. 40 acres of land have been procured. Details for the Power Project have been prepared. The total capital cost of the project has been estimated at Rs. 193.50 Crores. Technical evaluation of Turbine package has been completed and final offers are awaited from vendors. Technical evaluation of Equipment offers are under progress and expected to be completed shortly. A public hearing by the Andhra Pradesh Pollution Control Board is yet to take place, after which purchase orders will be released.

The Power generated from this Power Plant will be utilised for the Chemical Plants located at Saggonda.

A Solar Power Plant, based on Photovoltaic Technology, is being set up at Kovvur at a total cost of Rs.21.20 Crores. Execution of this Project has been entrusted to Tata Solar Power on Engineering, Procurement and Construction basis. The Power generated by this Plant will be utilised in-house at Kovvur. Installation of a Supervisory Control and Data Acquisition (SCADA) system at Solar Power Plant has been completed. Pre-commissioning checks are in progress.

## **The Andhra Sugars Limited**

At Sugar Unit-III, Boiler upgradation, installation of a new Sulphitation system, Sugar and Begasse handling system, 50 Ton Vacuum Pan were taken up and have been commissioned. Consent for expansion to 6000 TCD and installation of a 31 MW Power Plant have been cleared by Andhra Pradesh Pollution Control Board. Consent For Operation for expanded capacity without Power Plant has also been issued.

These Projects are expected to strengthen your Company's Product range and improve revenue generation.

### **CERTIFICATION :**

Your Directors are happy to inform:

- Aspirin Division at Tanuku has been certified by DET NORSKE VERITAS (DNV) for Quality Management System Standard (ISO 9001:2008); Environmental Management System Standard (ISO 14001:2004); and Occupational Health & Safety Management System Standard (OHSAS 18001:2007).
- Chemicals & Fertilisers Division at Saggonda has been certified by DNV for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Management System Standards.
- Chemicals & Fertilisers Division at Saggonda has been granted Licence by Bureau of Indian Standards, New Delhi 15573:2005 for Manufacture and Supply of 10% Medium Basicity & 10% High Basicity of Poly Aluminium Chloride (PAC 10 MB).

### **DEMATERIALISATION OF EQUITY SHARES:**

As of 31<sup>st</sup> March, 2014, Equity Shares representing 43.90% of the Share Capital have been dematerialised.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors confirm:

- i. That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended 31<sup>st</sup> March, 2014 and of the profit of the Company for that year;
- iii. That the Directors have 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. That the Directors have prepared the Annual Accounts on a going concern basis.

### **CORPORATE GOVERNANCE:**

As per the amended provisions of the Listing Agreement, a Report on Corporate Governance along with Management Discussion and Analysis forming part of the Directors' Report is annexed.

### **COMPLIANCE CERTIFICATE OF THE AUDITORS:**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges and the same is annexed to the Report of Directors.

### **DIRECTORS:**

Your Directors express profound grief over the sad demise of Directors Dr. Anumolu Ramakrishna and Dr. Alapaty Appa Rao. Your Directors place on record appreciation of their valuable guidance during their tenure as Directors of the Company.

Justice G. Ramanujam (Retd.) retired as Director of the Company at the 66<sup>th</sup> Annual General Meeting. Your Directors place on record appreciation of the valuable guidance rendered by him during his tenure as Director of the Company.

In terms of Article 111 of the Articles of Association of the Company, Directors, Sri M. Thimmaraja and Sri P.S.R.V.K. Ranga Rao retire by rotation at the 67<sup>th</sup> Annual General Meeting and being eligible, offer themselves for re-appointment.

As per the provisions of the Companies Act, 2013 Independent Directors are required to be appointed by the Shareholders. As such, the appointment of Directors Sri A. Ranga Rao, Dr. P. Kotaiah, Sri V.S. Raju, Dr. A.V. Rama Rao and Sri P.A. Chowdary as Independent Directors is being placed for the approval of Shareholders at the ensuing 67<sup>th</sup> Annual General Meeting,

**AUDIT COMMITTEE:**

Audit Committee comprises 3 Non Whole-time, Independent Directors, Sri A. Ranga Rao, Dr. P. Kotaiah and Sri V.S. Raju. Sri A. Ranga Rao is the Chairman of this Committee.

**OTHER COMMITTEES :**

- To be in line with the Provisions of the Companies Act, 2013, the following committees have been constituted by the Board.
- **Corporate Social Responsibility Committee** : Comprises 4 Directors Dr. B.B. Ramaiah, Sri P. Narendranath Chowdary, Sri M. Thimmaraja and Sri V.S. Raju (Independent Director).
- **Nomination & Remuneration Committee** : Comprises 3 Independent Directors, Sri A. Ranga Rao, Sri V.S. Raju and Sri P.A. Chowdary.
- **Stakeholders Relationship Committee** : Comprises 3 Directors Sri P. Narendranath Chowdary, Sri M. Thimmaraja, Independent Director Sri P.A. Chowdary, who is the Chairman of the Committee.

**INDUSTRIAL RELATIONS:**

The relations with your Company's employees continue to be cordial and harmonious during the year under report.

**SAFETY, HEALTH AND ENVIRONMENT:**

Safety, Occupational Health and Environment Protection continue to be accorded high priority.

**CORPORATE SOCIAL RESPONSIBILITY:**

Your Company is dedicated to the betterment of the Rural Masses in the areas of our operations. Way back in the 1950s, well before there was the thought of "Corporate Social Responsibility" your Company took up these activities. Realising that Health and Education are vital for the improvement of the quality of human life your Company helped build a Medical College at Kakinada to produce the Doctors needed for rural healthcare and followed this up with helping in setting up a modern Hospital at Tanuku providing Cardiac, Ophthalmic, Orthopedic, Obstetrics, Gynaecological and Dental Care. Your Company helped to provide education by helping in setting up two Schools and a Polytechnic and helped in setting up a modern Library and a Cultural Centre with a 1000 seat Indoor Auditorium and an Outdoor Auditorium.

As required by the provisions of Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of the Company with Dr. B.B. Ramaiah, Chairman & Managing Director; Sri P. Narendranath Chowdary, Managing Director; Sri M. Thimmaraja, Joint Managing Director and Sri V.S. Raju, Independent Director as members of the Committee. This Committee will frame the Corporate Social Responsibility activities policy as specified by the CSR Rules provided under the Companies Act, 2013 and recommend to the Board for its consideration and implementation.

**PARTICULARS OF EMPLOYEES:**

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended by Companies (Particulars of Employees) Amendment Rules, 2011 regarding employees is given in Annexure "A" forming part of this Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

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 given in Annexure "B" forming part of this Report.

## **The Andhra Sugars Limited**

### **FIXED DEPOSITS:**

Fixed Deposits aggregating to Rs 41.20 lakhs held by 88 depositors had fallen due for payment but remained unclaimed as on 31.3.2014. Unclaimed deposits aggregating to Rs. 12.75 lakhs held by 20 depositors have since been renewed/repaid. Still, deposits aggregating to Rs.28.45 lakhs held by 68 depositors remained unclaimed as on date.

### **CONSOLIDATED ACCOUNTS:**

In accordance with the Accounting Standards, consolidated financial statements of the Company and its subsidiaries and Associate form part of the Report and Accounts. These consolidated statements have been prepared on the basis of audited results received from the Subsidiary and Associate companies as approved by their respective Boards.

In view of the general exemption granted by the Ministry of Corporate Affairs, the Accounts of the subsidiary companies for the year 2013-14 have not been attached to the Company's Accounts. However, Shareholders desirous of obtaining the Annual Accounts of the subsidiaries may obtain them upon request. The Annual Report and the Accounts of the subsidiary companies will be kept for inspection at the Company's Registered Office as well as at the offices of your subsidiary companies.

### **SUBSIDIARY COMPANIES:**

#### **JOCIL LIMITED:**

For the Financial Year ending 31.3.2014, your subsidiary company, JOCIL Ltd., posted a profit of Rs. 1630.45 lakhs (before taxation) against Rs. 2294.46 lakhs (before taxation) last year. The Board of this subsidiary recommended a Dividend of Rs. 5/- per share on the Capital of 88,81,150 Equity Shares. Dividend paid last year was Rs. 6/- per share.

#### **THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:**

The company achieved a sales of Rs. 159.98 lakhs against Rs. 636.78 lakhs and incurred a loss (before tax) of Rs. 79.42 lakhs against the loss of Rs. 46.87 lakhs last year.

#### **HINDUSTAN ALLIED CHEMICALS LIMITED:**

The Directors are on the look out for a suitable project to be taken up by the company.

#### **AUDITORS:**

M/s Brahmayya & Co. Chartered Accountants, Vijayawada, the present Auditors, retire at the 67<sup>th</sup> Annual General Meeting and are eligible for re-appointment.

#### **COST AUDITORS:**

M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad are appointed as Cost Auditors of the Company for the products, which are subject to Cost Audit, for the year ended 31.3.2014. Cost Auditors Report and Compliance Report in respect of Financial Year 2012-13 have been filed with the Ministry of Corporate Affairs on 24.9.2013 and 23.09.2013 respectively i.e., within the stipulated due date of 27.9.2013.

#### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the co-operation extended by the State and Central Government authorities, Financial Institutions, Banks and Shareholders. They also express their appreciation to the employees at all levels for the successful working of the Company.

Venkatarayapuram  
TANUKU – 534 215  
26-05-2014

For and on behalf of the Board  
Dr. B.B. RAMAIAH  
Chairman and Managing Director



## ANNEXURE "A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2014

Statement showing particulars of employees of the Company as required  
under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees)  
Rules, 1975 as amended and forming part of Report of the Board of Directors for the period from 01-04-2013 to 31-03-2014.

Sl. No.	Name	Designation	Qualification	Experience (Years)	Date of commencement of employment in the Company	Gross Remuneration Rs.	Age (Years)	Particulars of Last Employment (Name of the Concern, Designation and Period)
1)	Dr. B. B. Ramaiah	Chairman & Managing Director	B.Sc. (Hons), Sugar Technology M.Sc. (Chemical Technology) M.Sc. (Wisconsin), A.M.P. (Harvard)	60	01-04-1998	19561915	88	Managing Director (Tech.) The Andhra Sugars Ltd. 28 Years
2)	Sri P. Narendranath Chowdary	Managing Director	B.Sc.	47	12-01-1976	21189901	66	Director, The Andhra Sugars Ltd. 8 Years
3)	Sri M. Narendranath	Joint Managing Director	B.Sc. (Ag.)	40	01-01-1998	12653818	65	Managing Director, Sree Satyanarayana Spinning Mills Ltd., Tanuku. 24 Years
4)	Sri M. Thimmaraja	Joint Managing Director	B.Tech., M.B.A. (Florida)	39	01-08-1978	12447758	63	Director, The Andhra Sugars Ltd. 2 ½ Years
5)	Sri P. Achuta Ramayya	Joint Managing Director	B.Com., M.B.A. (New York)	31	01-08-1983	11631843	59	Executive Director, The Andhra Sugars Ltd. 28 Years
6)	Sri P.S.R.V.K. Ranga Rao	Executive Director	B.Com.	15	01-05-1999	7350984	44	Director, The Andhra Sugars Ltd. 1 ½ Years

1) Gross remuneration includes Salary, Commission on profits, House Rent Allowance, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Reimbursement of Medical Expenses, Personal Accident Insurance, Membership Fees to Clubs as may be applicable.

2) The appointments are governed by the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956.

**Annexure 'B' to Directors' Report for the year ended 31.03.2014**

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.

**A. Conservation of Energy:**

**SUGAR UNIT – II, TADUVAI:**

Conservation of Energy:

**1. Energy conservation measures taken.**

Following Steam Economy Measures were taken up during 2013 -14 to reduce the process steam consumption.

- a) Tubular heaters were installed for syrup heating with 2<sup>nd</sup> vapour.
- b) Tubular heater was installed for draft juice heating (before Sulphitation) with 3<sup>rd</sup> vapour to maintain optimum reaction temperature at juice sulphitor for better clarification and to have steam saving.

**2. Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods.**

The Steam Economy Measures, implemented during 2013-14 crushing Season, resulted in saving of 1,650 MTs of bagasse, which costs about Rs.18,15,000/- considering cost of bagasse @ Rs.1100/- MT. The reduction in cost of production is Rs.6.29/- per quintal of Sugar produced.

**CHEMICAL COMPLEX, SAGGONDA:**

- Re-coating of Anode and Cathode half shells of No.3 cell hall for reduction of power consumption.
- Replacement of old membranes with high performance new membranes.
- Recoating of one more Electrolyses Anode & Cathode half shells in No.3 cell hall for reduction of power consumption.
- Installation of VFD's for Brine/ Water pumps for reduction of power consumption.

Due to these measures, the power consumption was reduced by approximately 140-150 KWH/Ton of production. The impact on the cost of production is Rs.750 / Ton.

**B. TECHNOLOGY ABSORPTION:**

A new syrup sulphitation system has been installed under R&D programme by taking the Technical know-how from Fourteam Engineers of Brazil. This system came on line during the 2012-13 crushing season achieving 95HP saving in Electrical Power and 0.7% of Steam on Cane.

**Form B annexed.**

<b>C. Foreign Exchange Earnings and outgo :</b>	<b>Current Year</b>	<b>Last Year</b>
a) Used (Rs. in lakhs)		
i) Revenue Account	<b>129.05</b>	163.25
ii) Know-how fee and Service	--	--
b) Earned (Rs. in lakhs)		
On FOB basis	<b>343.03</b>	95.06

**ANNEXURE  
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	UM	TANUKU UNITS		KOVVUR UNITS		TADUVAI UNITS		SAGGONDA UNITS		BHIMADOLE UNIT	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
<b>A) POWER AND FUEL CONSUMPTION</b>											
<b>1. ELECTRICITY</b>											
<b>A) PURCHASED</b>											
UNITS	KWH	<b>6739048</b>	6556929	<b>22280059</b>	20004341	<b>553300</b>	384325	<b>278331177</b>	266697903	<b>506230</b>	400248
TOTAL AMOUNT	Rs.	<b>44545804</b>	40619380	<b>114512492</b>	121249889	<b>4133314</b>	3671251	<b>1302544705</b>	1329984516	<b>4135193</b>	3296322
RATE/UNIT	Rs.	<b>6.61</b>	6.19	<b>5.14</b>	6.06	<b>7.47</b>	9.55	<b>4.68</b>	4.99	<b>8.17</b>	8.24
<b>B) OWN GENERATION</b>											
<b>I) THROUGH DIESEL GENERATOR</b>											
UNITS	KWH	<b>70194</b>	133372	--	--	<b>44583</b>	73888	--	--	<b>69273</b>	223564
TOTAL AMOUNT	Rs.	<b>1176108</b>	1826347	--	--	<b>1149545</b>	1694974	--	--	<b>1467051</b>	4497493
RATE/UNIT	Rs.	<b>16.76</b>	13.69	--	--	<b>25.78</b>	22.94	--	--	<b>21.18</b>	20.12
<b>II) THROUGH STEAM TURBINE GENERATOR</b>											
UNITS	KWH	<b>6665200</b>	7311280	--	--	<b>15063200</b>	21004360	--	--	<b>6303720</b>	7670650
TOTAL AMOUNT	Rs.	<b>7149641</b>	7678093	--	--	<b>22205226</b>	47411662	--	--	<b>9176527</b>	10533014
RATE/UNIT	Rs.	<b>1.07</b>	1.05	--	--	<b>1.47</b>	2.26	--	--	<b>1.46</b>	1.37
<b>2. COAL</b>											
QUANTITY	MT	<b>3110.000</b>	860.000	--	--	--	--	--	--	--	--
TOTAL COST	Rs.	<b>11463257</b>	3330948	--	--	--	--	--	--	--	--
AVERAGE RATE	Rs.	<b>3686</b>	3873	--	--	--	--	--	--	--	--
<b>3. FURNACE OIL</b>											
QUANTITY	KL	--	--	<b>291.931</b>	243.010	--	--	<b>232.883</b>	348.739	--	--
TOTAL AMOUNT	Rs.	--	--	<b>14221318</b>	11458723	--	--	<b>11120616</b>	16470543	--	--
AVERAGE RATE	Rs.	--	--	<b>48715</b>	47153	--	--	<b>47752</b>	47229	--	--
<b>4. ONGC NATURAL GAS</b>											
QUANTITY	M <sup>3</sup>	<b>1622392</b>	1828024	--	--	--	--	--	--	--	--
TOTAL AMOUNT	Rs.	<b>16050482</b>	20256833	--	--	--	--	--	--	--	--
RATE/UNIT (M <sup>3</sup> )	Rs.	<b>9.89</b>	11.08	--	--	--	--	--	--	--	--

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FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	UM	TANUKU UNITS		KOVVUR UNITS		TADUVAI UNITS		SAGGONDA UNITS		BHIMADOLE UNIT	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
<b>5. HUSK AND FIRE WOOD</b>											
QUANTITY	MT	<b>114.950</b>	168.190	<b>826.220</b>	927.570	--	449.365	<b>10142.194</b>	6613.740	<b>60.760</b>	106.260
TOTAL AMOUNT	Rs.	<b>271580</b>	308209	<b>2434499</b>	2692613	--	1033539	<b>34390187</b>	20790303	<b>162012</b>	238081
AVERAGE RATE	Rs.	<b>2363</b>	1833	<b>2947</b>	2881	--	2300	<b>3391</b>	3144	<b>2666</b>	2241
<b>6. PURCHASED BAGASSE</b>											
QUANTITY	MT	--	--	--	--	--	--	--	--	--	--
TOTAL COST	Rs.	--	--	--	--	--	--	--	--	--	--
AVERAGE RATE	Rs.	--	--	--	--	--	--	--	--	--	--
<b>7. CHIPPER DUST</b>											
QUANTITY	MT	--	--	--	--	--	--	--	--	--	--
TOTAL COST	Rs.	--	--	--	--	--	--	--	--	--	--
AVERAGE RATE	Rs.	--	--	--	--	--	--	--	--	--	--
<b>8. OTHER INTERNAL GENERATION</b>											
<b>A) BAGASSE</b>											
QUANTITY	MT	<b>39545.91</b>	48310.92	--	--	<b>62703.431</b>	41979.493	--	--	<b>40080.967</b>	48999.454
TOTAL AMOUNT	Rs.	<b>43500497</b>	53142007	--	--	<b>68973774</b>	46177443	--	--	<b>44089064</b>	53899399
RATE/UNIT	Rs.	<b>1100</b>	1100	--	--	<b>1100</b>	1100	--	--	<b>1100</b>	1100
<b>B) BIOGAS:</b>											
QUANTITY	M <sup>3</sup>	<b>4259962</b>	3825765	--	--	--	--	--	--	--	--
TOTAL AMOUNT	Rs.	--	--	--	--	--	--	--	--	--	--
RATE/UNIT	Rs.	--	--	--	--	--	--	--	--	--	--
<b>C) HYDROGEN</b>											
QUANTITY	MT	--	--	<b>103.685</b>	76.080	--	--	<b>389.381</b>	465.083	--	--
TOTAL AMOUNT	Rs.	--	--	OWN GENERATION IN CAUSTIC POTASH PLANT		--	--	OWN GENERATION IN CAUSTIC SODA PLANT		--	--
RATE/UNIT	Rs.	--	--	--	--	--	--	--	--	--	--

**B. CONSUMPTION PER UNIT OF PRODUCTION**

PRODUCTION	UM	CURRENT YEAR 2013-14		PREVIOUS YEAR 2012-13	
		POWER (K.W.H.)	STEAM (M.T.)	POWER (K.W.H.)	STEAM (M.T.)
1. SUGAR (TANUKU)	QTL.	39	0.48	38	0.47
2. ALCOHOL	KL.	144	2.20	161	2.06
3. ETHANOL	KL.	74	0.72	73	0.74
4. ACETIC ACID /ANHYDRIDE MIX	MT.	257	2.51	465	4.07
5. ETHYL ACETATE	MT.	0	0.00	586	6.00
6. ASPIRIN	MT.	2992	15.19	3366	16.66
7. U.H. 25	MT.	7308	147.35	7844	138.77
8. M.M.H	MT.	24803	514.03	22190	517.85
9. H.T.P.B	MT.	2166	18.94	1841	19.67
10. POTASSIUM CARBONATE	MT.	295	0.08	272	0.14
11. CAUSTIC POTASH LYE AT KOVVUR	MT.	1813	2.30	1872	3.09
12. CAUSTIC SODA LYE AT SAGGONDA	MT.	2318	0.92	2289	0.95
13. CAUSTIC POTASH FLAKES AT KOVVUR	MT.	104	1.42	98	1.25
14. CAUSTIC SODA FLAKES AT SAGGONDA	MT.	113	0.95	170	1.21
15. LIQUID CHLORINE AT KOVVUR	MT.	246	--	297	--
16. LIQUID CHLORINE AT SAGGONDA	MT.	192	--	222	--
17. HYDROCHLORIC ACID AT KOVVUR	MT.	14	--	13	--
18. HYDROCHLORIC ACID AT SAGGONDA	MT.	16	--	20	--
19. SULPHURIC ACID AT KOVVUR	MT.	70	0.33	71	0.33
20. SULPHURIC ACID AT SAGGONDA	MT.	78	0.30	75	0.30
21. SUPERPHOSPHATE AT KOVVUR	MT.	31	--	32	--
22. SUGAR (TADUVAI)	QTL.	21	0.44	24	0.48
23. SUGAR (BHIMADOLE)	QTL.	39	0.58	37	0.52
24. POLY ALUMINIUM CHLORIDE AT SAGGONDA	MT.	23	--	33	--
25. HYDROGEN BOTTLING AT SAGGONDA	MT.	3912	--	3845	--
26. LIQUID HYDROGEN AT SAGGONDA	MT.	15552	--	20053	--
27. SODIUM HYPOCHLORITE AT KOVVUR	MT.	42	--	23	--
28. SODIUM HYPOCHLORITE AT SAGGONDA	MT.	12	--	20	--

**FORM B**

Form for disclosure of particulars with respect to Technology Absorption

**RESEARCH & DEVELOPMENT (R&D)**

**1. Specific areas in which R&D carried out by the Company:**

Your Company is actively involved in development of indigenous technology for new products and processes, Technology upgradation, Development of expertise and knowledge in related fields, Testing & Certification of products for conformity to various International Standards, Development of methods and controls to minimise waste to reduce environmental pollution, introduction of modern methods in Sugarcane management.

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

The continuous R&D activities of your Company have helped in improving the quality, yield and economics of currently manufactured products, preparedness to counter competition and explore new markets, increased capacity utilisation of Plants and improved Sugar recovery.

**3. Future plan of action:**

Your Company will continue to utilise the existing R&D capabilities to upgrade the process technologies, development of new products, maximise production capacity at optimum cost.

**4. Expenditure on R&D** (Rupees in lakhs)

a) Capital	:	191.42
b) Recurring	:	349.92
c) Total	:	541.34
d) Total R&D expenditure as percentage of total turnover	:	0.75%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

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

- a) Monitoring of crystallisation in the true seed pan in real time with Digital Video Microscope to ensure uniform crystal quality.
- b) New syrup sulphitation system is introduced to improve the reaction efficiency of syrup with SO<sub>2</sub>.
- c) Studies on improving the yield of sugar along with energy saving, using LLT clarifier.
- d) Sugar Cane varietal development.
- e) Mechanisation of Sugar Cane Cultivation and Harvesting.
- f) New pumping system for unloading Butadiene is introduced successfully in HTPB Plant.
- g) Modified the existing UDMH/MMH synthesis process.
- h) Introduced Caustic Lye successfully in place of Caustic Flakes in the final distillation of MMH.
- i) Evaluation and implementation of suitable technology for recovery of DMA, Ammonia and MMA from the effluents of UDMH/MMH Plants is in progress.

**2. Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.:**

- a) Monitoring of crystallisation in true seed pan in real time with Digital Video Microscope helps to ensure a uniform crystal formation, thereby preventing secondary crystal generation and promoting efficient centrifugation. Sugar is produced with higher performances and better profitability.
- b) The new Sulphitation system will help in economy with respect to thermal and electrical. This system will also reduce the consumption of Sulphur and reduce the SO<sub>2</sub> level in the final product.
- c) The LLT clarifier will help to decrease the inversion losses along with energy savings.
- d) Development of new Sugar Cane varietal would help in high yield of Sucrose per unit area, higher cane yield, higher fibre content for energy generation, better Sucrose per unit area, for resistant to pest and disease, adopted to various ecological condition with lower water and nutrient input and good milling qualities and low impurity.
- e) Implementation of mechanical cultivation and harvesting would help to our farmers by relieving the harvest labour situation.
- f) Introduction of new pumping system for Butadiene helped in saving of raw material and energy conservation.
- g) Modification of synthesis process of UDMH/MMH using new static mixing system helped in reducing impurities and improving yield.
- h) Introduction of Caustic Lye in place of Caustic Flakes helped in reducing the evolution of toxic vapours into the atmosphere.
- i) Implementation of suitable treatment measures will help in meeting statutory norms.

**3. In case of imported technology (imported during the last five 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
  - d) If not fully absorbed, areas where this has not been taken place, reasons thereof.
- } NIL

**Information Pursuant to Listing Agreement with Stock Exchanges**

Equity Shares of the Company are listed on the Stock Exchanges as stated below and the annual listing fees has been paid to the Exchanges 1 & 2 below.

Name of the Stock Exchange	Address
1. Madras Stock Exchange Limited	Exchange Building, Post Box No. 183, 11, Second Line Beach, Chennai - 600 001.
2. National Stock Exchange of India Limited	Exchange Plaza, 5th Floor, Plot No. C/1 G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

## ANNEXURE TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE

#### MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report set out hereunder supplements the Directors' Report and the Audited Financial Statements forming part of this Annual Report.

Your Company is engaged in the manufacture and sale of Sugar, Organic and Inorganic Chemicals Plants located at Tanuku, Kovvur, Taduvai, Saggonda and Bhimadole. Non-conventional Wind Power is being generated at one location in Andhra Pradesh and twelve locations in Tamil Nadu.

#### SUGAR INDUSTRY:

Sugar is manufactured at Sugar Unit-I (Tanuku), Sugar Unit-II (Taduvai) and Sugar Unit-III (Bhimadole). Molasses which is a bye product from these Sugar Plants is the raw material for your Company's Distillery located at Tanuku. Industrial Alcohol and Ethanol are produced at this Distillery. Industrial Alcohol is the raw material for Ethanol and other Organic Chemicals manufactured at the Chemical Plants at Tanuku. Bagasse which is a residue at the Sugar Plants after extraction of juice is being used to fuel the Co-generation operation. Carbondioxide which is a bye product of fermentation at the Distillery is purified and used as one of the raw materials to produce Salicylic Acid which goes into the manufacture of Aspirin.

A year back, sugar sector was decontrolled to enable the Sugar Mills to operate in free environment without any restrictions of Government on price and release. However its benefits are yet to be fully realised. There is a need for Government of India to address the cane price fixation in proper perspective. A Committee formed by Government of India has suggested linkage of sugarcane price fixation with revenue realisation from bye products of sugarcane. Some of the states have shown their readiness to adopt this formula. This formula requires to be introduced uniformly in all the states so as to do away with the dual cane price fixation so that the farmers as well as the mills are benefited. Another area of concern for the sugar mills has been the regulatory hurdles in respect of quantity and movement restrictions of bye products like Molasses & Ethanol. Removal of this restriction would enable the sugar mills to support the Ethanol Oil blending programme in a big way with a firm commitment of supply of Ethanol to OMCs. It is essential for the OMCs to firm up their Procurements & Price policies or else the sugar mills will have to look for better opportunities elsewhere. Imposition of VAT on Sugar by State Government, shortage of labour for cane cultivation, diversion to alternative remunerative crops, power shortages, labour problems, availability of high yield and high sugar cane variety continue to be the concerns of Sugar Industry.

With the cane availability dwindling, your Company has recognised the importance of improving yield per acre for which the following measures have been undertaken.

- i) As a part of Farm Mechanisation, Mechanical Planters i.e., Double Disc Chop Planter and Water Wheel Planter were developed and tested at our R&D farm and found successful. During this planting season, wide row space planting has been taken in all there Units, suitable for Mechanical Harvesters, in order to motivate the farmers to bring additional area under cultivation.
- ii) The Harvesters available in India are not appropriate for needs and sugar cane field size. Your Company has procured suitable small Compact Cane Harvesters from Australia and carried out the modifications with guidance and support from Australian Harvester Experts. Trials were undertaken in farmer fields during the 2013-14 season. A New Holland 4000+ Harvester which is the only small size harvester in the market has also been procured.

With the guidance of Australian Harvester Experts, the Cane Harvesters and Planters built by us are being assessed and improved to give us the performance needed with minimum field losses.

- iii) Under Cane R&D programme, evaluation and multiplication of suitable varieties, is being carried out at the existing R&D farm. Out of the trials under test, 10 varieties are close to commercialisation and under multiplication to start providing to farmers.



- iv) A Bio Control Lab has been established and started production of Trichogramma and Tetrastichus.
- v) Efforts are being made to increase planting during June to July, 2014. The expected cane area for 2014-15 season will be 6,000 acres which including plant, ratoon and short crop and expecting 1.62 lakhs MTs of sugar cane.
- vi) Efforts are being made to improve the recovery % cane by having close watch at the field level and with strict control of cane preparation.
- vii) A new Sulphitation System for syrup has been installed.

Keeping in view the interest of the farmers, your Company has been paying a Cane price higher than the "Fair Remunerative Price" in addition to Incentives and Subsidies to ensure that farmers see cane farming as remunerative as other commercial crops.

#### **CHLOR-ALKALI PRODUCTS:**

Your Company has an integrated Inorganic Chemicals Complex at Kovvur and Saggonda.

Power constitutes the major "input cost" in the manufacture of Caustic Soda. Power supply restrictions and steep increase in Power Tariffs continue to have major impact on the operations & performance of Chemical Plants at these locations. Keeping this in mind your Company has gone in for Energy Efficient Chemical Plants. Disposal of Chlorine, which is a bye product at Caustic Soda Plant, remains a challenge as the end users have gone in for Chlorine free Technology in their manufacturing process. To overcome this bottleneck, your Company has put up Chlorine based Plants in order to enable the running of Caustic Soda Plant to full capacity.

#### **OTHER OPPORTUNITIES:**

As domestic price realisation of Aspirin is not encouraging, export of Aspirin is seen as a better business opportunity. As most of your Company's products serve as an input to Pharma Products, Pharma is considered as a business line. Your Company's Aspirin facility has been upgraded to meet the International Standards (CGMP). Required Audit Certificates have been received from USFDA and EDQM. Aspirin Plant has received ISO Certification which would facilitate the Company to move ahead with optimism for establishing a firm base in the International market. Several overseas Multinational Companies have evinced interest in our product with whom long-term contracts are proposed to be developed to cater to their requirement. Our products are in registration stage with International clients as per USFDA & EDQM norms which are expected to show commercial results in the current Financial Year. Steps are being taken to obtain regulatory approvals for expanding the Plant. In the coming years our focus would be to widen the International client base.

#### **POWER:**

Your Company's major segment is the Chlor-Alkali Division, which is a Power intensive operation. Restricted Power supply from the State Electricity Board and steep increase in Power tariff has become a serious concern to the Chlor-Alkali operations. This has necessitated your Company to explore the Power availability at a competitive price from various sources. As an equity Investor in Andhra Pradesh Gas Power Corporation Limited (APGPCL), a Company running a Gas based Power Plant at Vijjeswaram, your Company has an entitlement to 41.06 MW of Power. The power availed from this source is cheaper compared to the power of State Electricity Board and the Power purchased from Power Exchange. This advantage in Power Tariff enables your Company to remain competitive in the Chlor-Alkali sector. Keeping in mind the dismal Power supply scenario your Company has already implemented steps for establishing a Coal Based Power Project at Saggonda Chemical Complex and a Solar Power Project at Kovvur. These Power Projects would ensure the Power requirements to Chemical Plants without interruption.

At Tanuku 8.90 MW Turbo Generator set has been successfully synchronised with State Electricity Board Grid. No objection Certificate has been received for wheeling Power to our Saggonda Chemical Complex which is a Power intensive unit.

In the years to come your Company's focus would be to achieve self-sufficiency in power.

**INTERNAL CONTROL SYSTEM :**

Your Company conducts a review of the financial and operating controls of the various Units. The Internal Control System of your Company is commensurate with its size and nature of business.

**SEGMENT-WISE PERFORMANCE :**

Segment-wise performance has been given separately vide Annexure – II of Group Consolidated Accounts.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**

Your Company has earned a Gross Profit of Rs. 139.26 Crores (before interest and depreciation) against Rs. 197.51 Crores (before interest and depreciation) in last year. The Fund based working capital limits at Rs.140.00 Crores. The gross Fixed Assets of your Company as on 31.3.2014 is Rs.901.25 Crores compared to Rs. 887.59 Crores during the previous year 2012 -13. Your Company has a net worth of Rs. 563.63 Crores.

**HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS :**

Your Company continuously reviews and monitors its manpower requirements to ensure that it has human skills commensurate with its needs. Industrial relations continued to be cordial. As on 31.3.2014 your Company's employees strength stands at 2,266.

**CAUTIONARY STATEMENT :**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility in respect of these forward-looking statements that may be amended or modified later, on the basis of subsequent developments, information or events and in view of the changes brought by the Government Rules and Regulations.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Andhra Sugars Ltd. (ASL) always believes that good Corporate Governance ensures proper and adequate protection of the interests of all the stakeholders in the Company. ASL affirms that healthy Corporate Governance leads to the operations and actions which serve the underlying goal of continuously enhancing the value that the Company can create for the stakeholders including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with ASL.

### 2. BOARD OF DIRECTORS :

a) As on 31.3.2014, the Board of Directors consisted of 12 Directors.

COMPOSITION AND CATEGORY OF DIRECTORS IS AS FOLLOWS:

Category	Name of the Director
Promoter/Executive Directors	Dr. B.B. Ramaiah Chairman & Managing Director
	Sri P. Narendranath Chowdary Managing Director
	Sri M. Narendranath Joint Managing Director
	Sri M. Thimmaraja Joint Managing Director
	Sri P. Achuta Ramayya Joint Managing Director
	Sri P.S.R.V.K. Ranga Rao Executive Director
	Non-Executive and Independent Directors
Dr. A.V. Rama Rao	
Dr. P. Kotaiah	
Sri V.S. Raju	
Dr. Alapaty Appa Rao*	
Sri P.A. Chowdary, I.R.S.(Retd.)	

\* Ceased to be Director with effect from 30.04.2014.

#### Inter se relationship among Directors (as per Section 6 of the Companies Act, 1956)

Dr. B.B. Ramaiah – Sister's Husband of Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya  
 Sri P. Narendranath Chowdary – Daughter's Husband of Dr. B. B. Ramaiah  
 Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya – Brothers  
 Sri M. Narendranath & Sri M. Thimmaraja – Brothers

b) Non-Executive Directors Remuneration : Please refer Point No. 6

c) Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies:

**The Andhra Sugars Limited**

Name of the Director	Attendance Particulars		Directorship, Chairmanship, Committee Membership and Chairmanship in other companies			
	Board Meetings	Last AGM	Other Directorship	Chairman	*Committee Membership	*Committee Chairmanship
Dr. B. B. Ramaiah	4	Yes	3	--	--	--
Sri P. Narendranath Chowdary	4	Yes	3	4	--	2
Sri M. Narendranath	3	No	3	--	--	--
Sri M. Thimmaraja	3	Yes	2	--	3	--
Sri P. Achuta Ramayya	3	Yes	--	--	--	--
Sri P.S.R.V.K. Ranga Rao	2	No	1	--	--	--
Sri A. Ranga Rao	4	No	--	--	--	--
Justice G. Ramanujam (Retd.)#	-	No	--	--	--	--
Dr. A.V. Rama Rao	4	No	--	--	--	--
Dr. P. Kotaiah	4	No	9	--	2	5
Sri V.S. Raju	4	Yes	2	--	1	1
Dr. Alapaty Appa Rao ##	1	No	--	--	--	--
Dr. A. Ramakrishna ###	2	No	--	--	--	--
Sri P.A. Chowdary, I.R.S.(Retd.)	4	No	--	--	--	--

Sri V.S.Raju, Member of the Audit Committee, was present at the last Annual General Meeting to answer the queries of the Shareholders.

- \* Represents Membership / Chairmanship of Audit Committee & Investors Grievance Committee of other Public Limited Companies.
- # Retired at the 66<sup>th</sup> Annual General Meeting held on 26.08.2013.
- ## Ceased to be Director consequent upon his sad demise on 30.04.2014.
- ### Ceased to be Director consequent upon his sad demise on 20.08.2013.

**d) NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2013-14 AND THE DATES ON WHICH HELD**

Sl.No.	Date of Board Meeting
1	27.05.2013
2	27.07.2013
3	26.10.2013
4	27.01.2014

**3. CODE OF CONDUCT :**

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Managers of the Company. The said Code has been communicated to the Directors and the Senior Managers from whom the necessary affirmation has been received with regard to the compliance of Code. A declaration in this regard by the Managing Director is furnished at the end of the report. The Code has also been posted on the Company's website – [www.theandhrasugars.com](http://www.theandhrasugars.com).

**4. AUDIT COMMITTEE :**

- a) A qualified Audit Committee meeting the requirements as stipulated in the Clause 49 of the Listing Agreement has been constituted. Audit Committee consists of 3 Non-Executive Independent Directors

Sri A. Ranga Rao, Dr. P. Kotaiah and Sri V.S. Raju. Sri A. Ranga Rao is Chairman of the Committee. All the Members of the Committee are financially literate and have accounting or related financial management experience.

- b) The terms of reference of the Audit Committee as detailed hereunder are in terms of Clause 49 of the Listing Agreement:
- i) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - ii) Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditor and fixation of audit fees.
  - iii) Approval of payment to the Statutory Auditors for any service rendered by them.
  - iv) Review with the management the annual financial statements before submission to the Board for approval with particular reference to :
    - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
    - b) Changes if any in the accounting policies and practices and reasons for the same.
    - c) Major accounting entries involving estimates based on exercise of judgement by management
    - d) Significant adjustments made in the financial statements arising out of audit findings.
    - e) Compliance with listing and other legal requirements relating to financial statements.
    - f) Disclosure of any Related Party Transaction.
    - g) Qualification in the draft Audit Report.
  - v) Review with the management, the quarterly financial statements before submission to the Board for approval.
  - vi) Review with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
  - vii) Review the adequacy of internal audit function if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - viii) Discussions with the Internal Auditors any significant findings and follow up thereon.
  - ix) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - x) Discussions with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - xii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  - xiii) Carrying any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following information as and when required:

- a. Management Discussion and Analysis of financial condition and results of operations
- b. Statement of significant Related Party Transactions (as defined by the Audit Committee)
- c. Management letters / letters of internal control weakness issued by the Statutory Auditors
- d. Internal Audit Reports relating to internal control weaknesses
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

**The Andhra Sugars Limited**

- c) NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2013 - 14 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Audit Committee Meeting
1	27.05.2013
2	27.07.2013
3	26.10.2013
4	27.01.2014

- d) ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2013-14.

Name of the Director	No. of Meetings attended
Sri A. Ranga Rao	4
Dr. P. Kotaiah	4
Sri V.S. Raju	4

Joint Managing Director, G.M.(Fin.) & Asst. Secretary, Statutory Auditors, Dy.G.M. (Fin.) - Internal Audit and Cost Auditors whenever required also attend the Audit Committee Meetings to answer the queries raised by the Committee Members.

Company Secretary acts as a Secretary to the Committee.

- e) The Audit Committee considers periodically statement of Related Party Transactions at its meetings.

**5. SUBSIDIARIES :**

- a) The Company does not have any material non-listed Indian subsidiary as defined in Clause 49 of the Listing Agreement regarding Corporate Governance.
- b) Company has two unlisted subsidiary companies.
- c) Minutes of the Board Meeting of the unlisted companies are placed before the Board Meeting of the holding company.

**6. REMUNERATION COMMITTEE, POLICY, DETAILS :**

- The need for a Remuneration Committee did not arise during the year.
- The Company does not remunerate nor the Company has any pecuniary relationship with the Non-Executive Directors except for the payment of sitting fees for attending each Meeting of the Board or Committee thereof.

Details of the remuneration paid / payable to the Directors during the year 2013-14 are as hereunder:-

Name of Director	Remuneration paid / payable to the Directors			
	Sitting Fees	Salaries & Perquisites	Commission	Total
	Rs.	Rs.	Rs.	Rs.
Dr. B. B. Ramaiah	Nil	47,49,197	1,48,12,718	1,95,61,915
Sri P. Narendranath Chowdary	Nil	63,77,183	1,48,12,718	2,11,89,901
Sri M. Narendranath	Nil	33,95,869	92,57,949	1,26,53,818
Sri M. Thimmaraja	Nil	31,89,809	92,57,949	1,24,47,758
Sri P. Achuta Ramayya	Nil	23,73,894	92,57,949	1,16,31,843
Sri P.S.R.V.K. Ranga Rao	Nil	17,96,216	55,54,768	73,50,984
Sri A. Ranga Rao	1,60,000	Nil	Nil	1,60,000
Justice G. Ramanujam (Retd.)	Nil	Nil	Nil	Nil
Dr. A.V. Rama Rao	80,000	Nil	Nil	80,000
Dr. P. Kotaiah	1,60,000	Nil	Nil	1,60,000
Sri V. S. Raju	1,60,000	Nil	Nil	1,60,000
Dr. Alapaty Appa Rao	20,000	Nil	Nil	20,000
Dr. A. Ramakrishna	40,000	Nil	Nil	40,000
Sri P.A. Chowdary, I.R.S.(Retd.)	1,60,000	Nil	Nil	1,60,000

- Remuneration is fixed and paid to the Managing Directors / Whole-time Directors as approved by the Shareholders of the Company and is in accordance with and subject to the limits prescribed by the Companies Act, 1956. The Company enters into an agreement with the Managing Directors / Whole-time Directors relating to their appointment / re-appointment. There is no severance fee.

**7. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS :**

As on 31.03.2014 Sri A. Ranga Rao holds 200 Equity Shares in the Company. No other Non-Executive Director holds any Equity Shares in the Company. During the year 2013-14 Company has not issued any convertible instruments.

**8. MANAGEMENT:**

- Management Discussion and Analysis forms part of the Annual Report.
- Disclosure by the Management to the Board : Please refer Point No. 12.

**9. CEO / CFO CERTIFICATION :**

In accordance with the requirements of Clause 49(V) of the Listing Agreement the Board of Directors of the Company, Audit Committee and Auditors have been furnished with the requisite certificate from the Managing Director and CFO.

**10. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE :**

- a) The Board has constituted Shareholders' / Investors' Grievances Committee comprising Sri P.A. Chowdary (Chairman of the Committee – Non-Executive Independent Director), Sri P. Narendranath Chowdary and Sri M. Thimmaraja as Members of the Committee. The Committee looks into redressal of the Shareholders' complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared Dividend and other related matters. Justice G. Ramanujam (Retd.) ceases to be Member & Chairman of the Committee consequent upon his retirement as Director with effect from 26.08.2013.
- b) The Board has designated Sri M. Palachandra, Company Secretary, as the Compliance Officer.
- c) During the year 2013-14, four Committee Meetings were held on dates viz., 27.05.2013, 27.07.2013, 26.10.2013 and 27.01.2014. The Company received a total number of 14 letters in respect of various matters viz., non-receipt / revalidation of dividend warrants, change of address, change of Bank account etc., and all of them were attended to and replied to the satisfaction of the Shareholders. As on 31.3.2014 no Share Transfers were pending and there were no pending complaints which have since been resolved.
- d) ATTENDANCE OF DIRECTORS AT THE SHAREHOLDERS GRIEVANCE COMMITTEE MEETING HELD DURING FINANCIAL YEAR 2013-14.

Name of the Director	No. of Meetings attended
Justice G.Ramanujam	NIL
Sri P.A. Chowdary	4
Sri P. Narendranath Chowdary	4
Sri M. Thimmaraja	3

**11. ANNUAL GENERAL BODY MEETINGS :**

- a) PARTICULARS OF ANNUAL GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS.

Financial Year – 1 <sup>st</sup> April to 31 <sup>st</sup> March			
Financial Year	Venue	Date	Time
2010-2011	Registered Office VENKATARAYAPURAM, TANUKU - 534 215 (A.P.)	24-9-2011	3:00 p.m.
2011-2012	-- do --	27-9-2012	3:00 p.m.
2012-2013	-- do --	26-8-2013	3:00 p.m.

At the last Annual General Meeting, there were no Special Resolutions that were required to be put through postal ballot.



At the ensuing Annual General Meeting there is no Resolution proposed to be passed through postal ballot.

b) SPECIAL RESOLUTIONS PASSED AT THE LAST THREE ANNUAL GENERAL MEETINGS :

DATE OF AGM	NO. OF SPECIAL RESOLUTIONS	SUBJECT MATTER
24-09-2011	--	--
27-09-2012	10	Appointment of Chairman & Managing Director, Managing Director re-appointment of Whole-time Directors, Payment of enhanced managerial remuneration to Managing Directors/Whole-time Directors.
26-08-2013	2	Re-appointment of Sri P.S.R.V.K. Ranga Rao as Executive Director with effect from 1-05-2014, enhancement of Borrowing Powers

**12. OTHER DISCLOSURES :**

- i. There is no materially significant pecuniary or business transaction of the Company with its promoters, Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

The Company enters into contracts from time to time with its Directors, Companies, Firms in which the Directors are interested. These contracts are in the ordinary course of Company's business and the concerned Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest. Full particulars of contracts entered into with the parties in which Directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed at every Board Meeting for the information of the Directors. Further, necessary approvals have also been obtained from the Central Government under Section 297 of the Companies Act, 1956 with regard to specific contracts requiring the approval of the Central Government.

- ii. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities, on any matter related to capital markets during last three years.
- iii. Company does not have any Whistle Blower Policy.
- iv. Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- v. Details regarding Non-Mandatory requirements are enumerated under Point No. 14.

**13. MEANS OF COMMUNICATION :**

- i. Quarterly Results are not sent to each household of shareholders, since they are being published in leading newspapers.
- ii. Quarterly, Half-yearly and Annual Results are published in "The Hindu Business Line" and "Eenadu".
- iii. The Company displays its periodical results on the Company's Website, "www.theandhrasugars.com" as required by the Listing Agreement.
- iv. Company has not issued any press release nor made any presentations to the investors or to analysts about its financial results during the year.

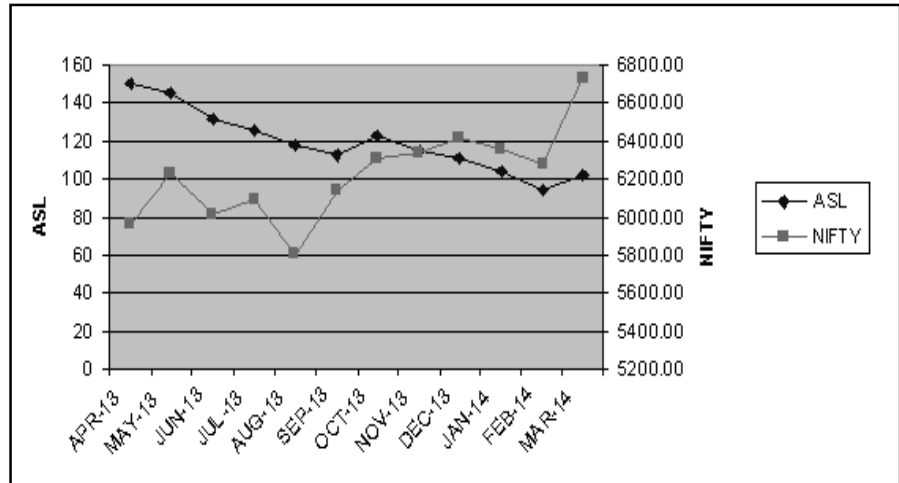
**v. General Shareholder Information**

- (i) Annual General Meeting
  - Date & Time : Wednesday, 10<sup>th</sup> September, 2014 at 3.00 P.M.
  - Venue : Registered Office  
Venkatarayapuram, Tanuku – 534 215  
West Godavari Dist., (A.P.)
- (ii) Financial Year : The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared within the time limit prescribed by the provisions of Listing Agreement.
- (iii) Date of book closure : Monday, 1<sup>st</sup> September, 2014 to  
Wednesday, 10<sup>th</sup> September, 2014  
(both days inclusive)
- (iv) Dividend payment date : 17<sup>th</sup> September, 2014
- (v) Listing on Stock Exchanges : Madras Stock Exchange  
National Stock Exchange
- (vi) Stock code : MSE CODE - ASR  
NSE CODE - ANDHRSUGAR
- (vii) Stock Market Data : National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2013	150.00	126.65
May, 2013	144.95	125.00
June, 2013	131.90	122.00
July, 2013	125.80	110.40
August, 2013	117.90	95.10
September, 2013	112.90	97.65
October, 2013	123.00	98.00
November, 2013	114.80	101.00
December, 2013	111.00	101.05
January, 2014	104.45	91.55
February, 2014	94.50	86.50
March, 2014	102.50	87.00

(viii) Performance in comparison to :  
broad-based indices

**EQUITY SHARE PRICE CHART (NSE)**



(ix) Registrars & Share Transfer Agents : Company has not appointed any Share Transfer Agent. The share transfer work is carried out in-house at the Company's Registered Office, Venkatarayapuram, Tanuku – 534 215, West Godavari Dist. (A.P.)  
Telephone Nos. 224911 (8 lines) Fax No. 224168  
Email : info.tnk@theandhrasugars.com

(x) Share Transfer System : Shareholders have an option to hold the Shares in physical form or in demat form. In the case of physical form, Company is taking care to ensure that the Share Transfer work gets completed within the stipulated time of fifteen days. The Board of Directors have delegated the power of approving transfer of Shares severally to Managing Director and one Joint Managing Director. The Board has also constituted a Share Transfer Committee which has been assigned the task of approving splitting of Shares, Issue of duplicate Share Certificates, consolidation of Share Certificates, change of status of a shareholder and other allied matters. With regard to Shares in demat mode, the procedure is adopted as per the provisions of Depositories Act, 1996.

(xi) (a) Shareholding pattern as on 31<sup>st</sup> March, 2014 :

Category	No. of Shares held	% of Shareholding
Promoters	12599651	46.48
Institutions, Mutual Funds and Banks	208429	0.77
FII's / OCB's	--	--
NRI's	454848	1.68
Bodies Corporate, Trusts and Clearing Members	2087950	7.70
Public	11756200	43.37
<b>Total</b>	<b>27107078</b>	<b>100.00</b>

**The Andhra Sugars Limited**

(b) Distribution of Shareholding as on 31<sup>st</sup> March, 2014 :

Shareholding of Nominal value of Rs.	No. of Shareholders	% to Total	Share Amount in Rs.	% to Total
Upto 5000	11,842	82.534	21672640	7.995
5001 to 10000	1,006	7.011	10599380	3.910
10001 to 20000	620	4.321	11985640	4.422
20001 to 30000	263	1.833	9080890	3.350
30001 to 40000	116	0.808	5098590	1.881
40001 to 50000	108	0.753	9063710	3.344
50001 to 100000	189	1.317	22827050	8.421
100001 onwards	204	1.422	180742880	66.677
<b>Total</b>	<b>14,348</b>	<b>100.000</b>	<b>27,10,70,780</b>	<b>100.000</b>

(xii) Dematerialisation of Equity Shares and liquidity:

Company's Equity Shares are listed on Madras and National Stock Exchanges with a view to provide liquidity to the Shareholders. As per the SEBI notification, the Company's Equity Shares have been compulsorily dematerialised with effect from 25<sup>th</sup> October, 2000. The Company has appointed XL Softech Systems, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 to establish electronic connectivity with the Depositories viz., NSDL and CDSL. The ISIN No. is INE715B01013. As on 31.3.2014, 43.90% of Equity Shares have been dematerialised.

(xiii) Outstanding GDRs / ADRs / Warrants of any other Convertible Instruments, Conversion date and likely impact on equity : Nil

(xiv) Plant Locations :

1. VENKATARAYAPURAM, Tanuku, West Godavari Dist., Andhra Pradesh
2. KOVVUR, West Godavari Dist., Andhra Pradesh
3. SAGGONDA, Gopalapuram Mandal, West Godavari Dist., Andhra Pradesh
4. TADUVAI, Jangareddygudem Mandal, West Godavari Dist., Andhra Pradesh
5. BHIMADOLE, West Godavari Dist., Andhra Pradesh
6. PERECHERLA, GUNTUR, Andhra Pradesh.

**Wind Power Units:**

7. RAMGIRI, Ananthapur Dist., Andhra Pradesh
8. (a) Kurichampatti Village,  
(b) Surandai Village,  
Veeranam Region,  
Tirunelveli District,  
Tamilnadu.  
(c) Kundadam Village,  
Tamilnadu  
(d) Palladam Village,  
Tamilnadu

- (xv) Address for correspondence for all matters including Shares : Registered Office:  
VENKATARAYAPURAM  
Tanuku – 534 215  
West Godavari Dist.  
Andhra Pradesh.  
Email : investors@theandhrasugars.com

**14. NON-MANDATORY REQUIREMENTS :**

Mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company. Adoption of non-mandatory requirements are as hereunder :

**1. The Board**

The Company has an Executive Chairman. Ceiling on the tenure of the Independent Director of the Company as mentioned is not adopted.

**2. Remuneration Committee**

The Company has not constituted any Remuneration Committee since the need for such a Committee has not arisen so far.

**3. Shareholders Rights**

The quarterly, Half-yearly and Annual Results are published in leading English newspapers having circulation all over India and also in Telugu newspapers circulating in the District and are also posted on the Company's website. Therefore the same are not sent to the Shareholders individually.

**4. Audit Qualification**

There are no qualifications proposed by the Auditors in their Report for the year ending 31<sup>st</sup> March, 2014 as per the information received from them.

**5. Training of Board Members**

In the opinion of the Board, its Members are all business professionals having considerable experience and expertise in their respective fields and industry.

**6. Mechanism for evaluating Non-Executive Board Members**

As the Non-Executive Directors are professionals, no such mechanism exists.

**7. Whistle Blower Policy**

There is no Whistle Blower Policy. However the Company recognises the importance of reporting to the Management by employee at any level about unethical behaviour or suspected fraud in violation of the Company's Code of Conduct or any other point of concern.

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management personnel have affirmed the compliance with The Andhra Sugars Limited Code of Conduct for the year ended 31<sup>st</sup> March, 2014.

Place : TANUKU  
Date : 26-05-2014

Dr. B.B. RAMAIAH  
Chairman & Managing Director

**CERTIFICATE**

To  
The Shareholders of  
The Andhra Sugars Limited  
Tanuku

We have examined the compliance of conditions of Corporate Governance by The Andhra Sugars Limited for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

The Chairman of the Audit Committee could not attend the 66<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> August, 2013, in view of the reason explained in the report on the Corporate Governance; however, one member of the Audit Committee was present.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except as stated in Para 3 above.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2014, no investor grievances were pending against the Company as per the records maintained by the Company and presented to the Shareholders/Investors Grievances Committee.

We further state that such compliance is not an assurance either to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Camp: TANUKU  
Date : 26<sup>th</sup> May, 2014

For BRAHMAYYA & CO.  
Chartered Accountants  
(Firm Regn. No. 000513S)  
T.V. RAMANA  
Partner  
(ICAI Memb. No. 200523)

## INDEPENDENT AUDITORS' REPORT

To  
The Members of The Andhra Sugars Limited  
Tanuku

### Report on the Financial Statements:

We have audited the accompanying financial statements of The Andhra Sugars Limited, Tanuku which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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 the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

**The Andhra Sugars Limited**

2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the Directors as on March 31, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Camp: Tanuku  
Date: 26<sup>th</sup> May, 2014

For BRAHMAYYA & CO.  
Chartered Accountants  
Firm Registration Number: 000513S  
(T.V. Ramana)  
Partner  
Membership Number: 200523



**Annexure to the Independent Auditors' Report:**

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of THE ANDHRA SUGARS LIMITED for the year ended 31 March, 2014. We report that :

- 1.1 According to the information and explanations furnished to us, the Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except in the case of furniture and fixtures.
- 1.2 According to the information and explanations furnished to us, the Company has informed us that it has adopted a phased programme of verification of its fixed assets. In our opinion such a programme is reasonable and adequate in relation to the nature and location of the Fixed Assets. In accordance with the said programme of physical verification of fixed assets, during the year the management has verified all fixed assets of Sugar divisions located at Tanuku, Taduvai and Bhimadole except furniture & fixtures. No material discrepancies were noticed on such physical verification.
- 1.3 According to the information and explanations furnished to us, the Company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
- 2.1 According to the information and explanations furnished to us, during the year under report the Company has physically verified its inventories of Raw Materials, Finished Goods & Stores and Spares, situated at Kovvur, Taduvai, Bhimadole and Saggonda. In our opinion, the frequency of such verification to the extent carried out is reasonable.
- 2.2 In our opinion, the procedures of physical verification of inventories, as followed by the management in respect of such verification carried out during the year are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2.3 According to the information furnished to us, the Company is maintaining proper records of its inventory. The discrepancies, if any, noticed on verification of Raw Materials, Finished Goods & Stores and Spares between the physical stocks to the extent verified during the year and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the Company has granted unsecured loans to two companies for an amount of Rs. 1100 lacs (Aggregate Maximum balance of Rs.1000 lacs), covered in the Register maintained under Section 301 of the Companies Act, 1956 and the same was repaid by those companies during the year under report.
- 3.2 According to the information and explanations furnished to us, the rate of interest and terms and conditions given by the Company are not prima facie prejudicial to the interest of the Company and the Company is in receipt of principal amount and interest thereon as per the stipulations mentioned in the agreement.
- 3.3 According to the information and explanations furnished to us, the Company has taken Fixed deposits/ inter-corporate loans aggregating at the date of the Balance Sheet to Rs.11148.25 lakhs from thirty six parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 3.4 In our opinion, the rate of interest and other terms and conditions on which loans/deposits have been taken by the Company from parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- 3.5 According to the information and explanations furnished to us, the Company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

**The Andhra Sugars Limited**

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in the internal control system, that in our opinion, require correction but have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements that have been entered in the Register referred to in Section 301 of the Companies Act have been made at prices which are reasonable having regard to prevailing market prices and other terms of business with such parties, at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Act and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 58A, 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, wherever prescribed, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the Company has been generally regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it; and the following undisputed statutory dues were outstanding, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable,.

Sl.No.	Name of the statute	Period	Amount Rs. in lakhs	Remarks
1.	Andhra Pradesh State Excise Act	Upto August, 1976	3.58 (establishment charges)	Pending receipt of demand by the Company
2.	Andhra Pradesh State Excise Act	August, 1976 to March, 2014	16.17 (Interest on above)	Pending receipt of demand by the Company

- 9.2 According to the information furnished to us, at the date of the Balance Sheet, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax and Service Tax that were disputed by the company and hence were not remitted to the concerned authorities, except the following:

Sl.No.	Name of the statute	Nature of the Dues	Amount Rs. in lakhs	Forum where dispute is pending
1	Water (Prevention and control of Pollution) Cess Act , 1977	Cess	0.50	Appellate Committee of the Govt. of AP
2	Sales Tax laws in different States	Sales Tax	106.77	Different appellate authorities
3	Income Tax Act, 1961	Income Tax	31.35	Commissioner of Income Tax, Appeals
4	Central Excise Act, 1944	Excise Duty	4177.24	Different departmental appellate authorities
5	Service Tax Law	Service Tax	32.16	Commissioner of Service Tax

10. According to the information and explanations furnished to us, the Company had no accumulated losses at the end of the year under report and it did not incur cash losses during the said year or in the immediately preceding Financial Year.
11. In our opinion and according to the information and explanations furnished to us by the Company, there were no defaults in repayment of its dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
12. According to the information furnished to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations furnished 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 (Auditor's Report) Order, 2003 are not applicable to the Company during the year under report.
14. According to the information furnished to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information furnished to us, the Company has not given any guarantees for loans taken by others from any banks or financial institutions, except in respect of repayment, out of its cane price dues to its sugarcane suppliers, the agricultural loans taken by them from banks, the terms and conditions of which, in our opinion are not prima facie prejudicial to the Company.
16. In our opinion, and according to the information and explanations furnished to us, the term loans obtained by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that considering the internal accruals of the Company during the year under report, funds raised by the Company on short-term basis have prima facie not been used for long-term investment.
18. According to the information and explanations furnished to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year under report.

**The Andhra Sugars Limited**

20. The Company has not raised any moneys through public issue of its securities during the year and the question of end use of such moneys does not arise during the year.
21. During the course of our examination of the accounts of the Company in accordance with generally accepted auditing practices, we have not come across any instances of fraud on or by the Company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

Camp: Tanuku  
Date: 26<sup>th</sup> May, 2014

For BRAHMAYYA & CO.  
Chartered Accountants  
Firm Registration Number: 000513S  
(T.V. Ramana)  
Partner  
Membership Number: 200523

## 1. ACCOUNTING POLICIES

### 1.1 GENERAL

The Accounts are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

### 1.2 FIXED ASSETS :

Fixed Assets are capitalised at acquisition cost, net of Cenvat, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of directly attributable cost of bringing the assets to their working condition for the intended use. Financing costs incurred upto the date of commissioning of assets are capitalised. Revenue expenses incidental to new projects are capitalised.

### 1.3 BORROWING COSTS :

Borrowing costs incurred in connection with the funds borrowed for acquisition / erection of assets that necessarily take substantial period of time to get ready for intended use, are capitalised as part of cost of such assets. All other borrowing costs are charged to revenue.

### 1.4. INVESTMENTS :

Long-term Investments are stated at cost and income thereon is accounted for on accrual. Provision towards decline in the value of long-term investments is made only when such decline is other than temporary.

Current Investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

### 1.5. INVENTORIES :

- Finished goods are valued at lower of cost or net realisable value.
- Work-in-process, Raw Materials, Stores, Spares and Materials in transit are valued at cost except where net realisable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc. is less than their book values, they are valued at replacement cost.
- By-products and scrap are valued at net realisable value.
- Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular are amortised over the life of the principal assets.

### 1.6. SALES :

- a) Revenue from sales is recognised when the property in the goods is transferred to the buyers along with the significant risks and rewards of ownership of such goods.
- b) Sales are inclusive of Excise Duty, Packing Charges and Freight Charges, wherever applicable and net off rebates and Sales Tax.

### 1.7. INTER-UNIT TRANSFERS :

The product of one unit used as raw materials, stores and spares and energy in another unit of the Company is adjusted at market value.

### 1.8. EMPLOYEE BENEFITS

#### a) Short-term Employee Benefits :

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**b) Post-Employment Benefits :**

- (i) Defined Contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- (ii) Defined Benefit plans: The employees' gratuity fund schemes and compensated absences schemes are under defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The Company's liability to gratuity on retirement of its eligible employees is funded with the Life Insurance Corporation of India. The fair value of the plan assets thereunder is reduced from the gross plan obligation, to recognise the obligation on net basis.

The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognised and charged to the Statement of Profit and Loss in the year in which the employee has rendered service.

- o Expense on account of unutilised compensated absences is arrived at as per actuarial valuation and is recognised and charged to the Statement of Profit and Loss in the year in which employee has rendered services in lieu of such leave.
- o Gains/losses arrived at in the above actuarial valuations are charged to the Statement of Profit and Loss immediately in each year.

**1.9. EXPENDITURE :**

Revenue expenditure is charged to Statement of Profit & Loss and capital expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

**1.10. DEPRECIATION :**

Depreciation is provided in the accounts, in accordance with Schedule XIV of the Companies Act on the following basis:

- On part of Buildings, Main Plant and Machinery and Electrical Installations of Caustic Soda, Aspirin, Wind Power at Ramagiri, Wind Power at Tamilnadu, Power Generation and Sugar Units at Taduvai and Bhimadole and all Buildings, Plant and Machinery, Electrical Installations, Weigh Bridges and Scales and Workshop Equipment of Cotton and Oil Products unit and Sulphuric Acid unit at Saggonda under Straight Line Method.
- On the remaining assets of the above units and all assets of the other units, under Written Down Value Method.
- In respect of inter-unit transfer of assets, depreciation is computed on the same basis as in the transferor unit.

**1.11. FOREIGN EXCHANGE TRANSACTIONS :**

- Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.
- At each Balance Sheet date foreign currency monetary items are reported using the rate of exchange on that date. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognised.

- In respect of forward exchange contracts in the nature of hedges
  - a) Premium or discount on the contract is amortised over the term of the contract,
  - b) Exchange differences on the contract are recognised as profit or loss in the period in which they arise.

**1.12. IMPAIRMENT OF ASSETS :**

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

**1.13. CONTINGENT LIABILITIES :**

Contingent liabilities are not recognised in the accounts, but are disclosed after a careful evaluation of the concerned facts and legal issues involved.

**1.14. INTANGIBLE ASSETS :**

Costs incurred on intangible assets, resulting in future economic benefits are capitalised as intangible assets and amortised on written down value method beginning from the date of capitalisation.

Intangible Assets are initially recorded at the consideration paid for acquisition and stated in the Account each year net of Amortised Value. Intangible Assets are amortised over period of 10 Years.

**1.15. TAXATION :**

- Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.
- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised. Deferred tax assets arising on other temporary timing differences are recognised only if there is a reasonable certainty of realisation.

**1.16. DIVIDENDS :**

Provision is made in the Accounts for the Dividends payable by the Company as recommended by the Board of Directors, pending approval of the Shareholders at the Annual General Meeting. Tax on distributable Profits is provided for in the year to which such distributable Profits relate.

**1.17. MISCELLANEOUS EXPENDITURE :**

Debentures / Shares issue expenditure is amortised as per Section 35D of the Income Tax Act.

**BALANCE SHEET AS AT 31ST MARCH, 2014**

<u>EQUITY AND LIABILITIES</u>	Notes	As At 31st March 2014	(Rs. in Lakhs) As At 31st March 2013
<b>Shareholders Funds</b>			
Share Capital	2	2711.01	2711.01
Reserves and Surplus	3	53652.31	49733.89
		-----	-----
		<b>56363.32</b>	52444.90
		-----	-----
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	15831.51	13640.49
Deferred Tax Liability (Net)	5	8484.17	8788.73
Other Long-term liabilities	6	5915.81	6249.27
Long-term Provisions	7	724.07	727.14
		-----	-----
		<b>30955.56</b>	29405.63
		-----	-----
<b>Current Liabilities</b>			
Short-term Borrowings	8	7090.88	6138.31
Trade Payables	9.1	1342.49	899.84
Other Current Liabilities	9.2	12679.40	10599.06
Short-term Provisions	7	12717.64	11611.20
		-----	-----
		<b>33830.41</b>	29248.41
		-----	-----
<b>TOTAL</b>		<b>121149.29</b>	111098.94
		-----	-----
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10.1	46652.60	49417.04
Intangible Assets	10.2	41.09	46.29
Capital Work-in-Progress		2576.04	671.32
		-----	-----
		<b>49269.73</b>	50134.65
		-----	-----
Non-current Investments	11	10306.12	7804.27
Long-term Loans and Advances	12	1203.57	1142.34
		-----	-----
		<b>11509.69</b>	8946.61
		-----	-----
<b>Current Assets</b>			
Inventories	14	35846.45	28906.35
Trade Receivables	13.1	9099.75	9094.10
Cash and Bank Balances	15	2256.03	2589.44
Short-term Loans and Advances	12	13078.06	11346.32
Other Current Assets	13.2	89.58	81.47
		-----	-----
		<b>60369.87</b>	52017.68
		-----	-----
<b>TOTAL</b>		<b>121149.29</b>	111098.94
		-----	-----
Summary of Significant Accounting Policies	1		

The Accompanying Notes are an Integral Part of the Financial Statements.

As per our report of even date for BRAHMAYYA & Company Chartered Accountants Firm Regn. No. 000513S T.V. Ramana Partner Membership No: 200523  Camp: TANUKU Date: 26.05.2014	For and on behalf of the Board of Directors of The ANDHRA SUGARS LTD, Dr. B.B. Ramaiah A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar  TANUKU 26.05.2014	Chairman & Managing Director Director Company Secretary G.M.(Finance) & Asst. Secretary
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## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

<u>PARTICULARS</u>	Notes	Current Reporting Period 2013-14	(Rs. in Lakhs) Previous Reporting Period 2012-13
<b>Income</b>			
Revenue from operations (Gross)	16	<b>78379.05</b>	88968.07
Less: Excise duty		<b>5762.48</b>	5767.76
		-----	-----
Revenue from operations (Net)		<b>72616.57</b>	83200.31
Other Income	17	<b>1300.88</b>	1373.57
		-----	-----
<b>Total Revenue</b>		<b>73917.45</b>	84573.88
		-----	-----
<b>Expenses</b>			
Cost of raw materials and components consumed	18	<b>30818.42</b>	31453.82
Purchase of Traded goods		--	163.26
[Increase]/ Decrease in Inventories of Finished goods, Work-in-Progress and Traded goods	19	<b>(6966.88)</b>	788.51
Employee Benefits Expense	20	<b>7694.26</b>	7430.75
Depreciation and Amortisation Expense	21	<b>4325.93</b>	4119.29
Finance Costs	22	<b>1977.68</b>	1930.48
Other Expenses	23	<b>28445.58</b>	24986.54
		-----	-----
<b>Total Expenditure</b>		<b>66294.99</b>	<b>70872.65</b>
		-----	-----
<b>Profit Before Exceptional Items and Tax</b>		<b>7622.46</b>	<b>13701.23</b>
<b>Less: Exceptional Item (Electricity FSA Charges Relating to Earlier Years)</b>		--	1764.15
<b>Profit Before Tax</b>		<b>7622.46</b>	11937.08
<b>Add : Income Tax Excess Provision Credited Back</b>		<b>85.30</b>	--
Income Tax Refund Received		<b>86.96</b>	7.61
<b>Less: Short Provision of Income Tax</b>		--	72.42
<b>Less : Tax Expenses</b>			
Current Tax		<b>2645.00</b>	3800.00
Deferred Tax		<b>(304.56)</b>	587.35
		-----	-----
<b>Total Tax Expense</b>		<b>2340.44</b>	4387.35
		-----	-----
<b>Profit for the year</b>		<b>5454.28</b>	7484.92
		-----	-----
Basic Earning Per Share		<b>20.12</b>	27.61
Diluted Earning Per Share		<b>20.12</b>	27.61

Summary of Significant Accounting Policies 1

The Accompanying Notes are an Integral Part of the Financial Statements.

As per our report of even date  
for BRAHMAYYA & Company  
Chartered Accountants  
Firm Regn. No. 000513S  
T.V. Ramana  
Partner  
Membership No: 200523

For and on behalf of the Board of Directors  
of The ANDHRA SUGARS LTD,  
Dr. B.B. Ramaiah  
A. Ranga Rao  
M. Palachandra  
P.V.S. Viswanadha Kumar

Chairman & Managing Director  
Director  
Company Secretary  
G.M.(Finance) & Asst. Secretary

Camp: TANUKU  
Date: 26.05.2014

TANUKU  
26.05.2014

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)  
Note -2

Share Capital

As at 31st March, 2014 As at 31st March, 2013

**Authorised Shares :**

28750000 (31 <sup>st</sup> March, 2013: 28750000) Equity Shares of Rs.10 /- each	<b>2875.00</b>	2875.00
30000(31 <sup>st</sup> March, 2013:30000) 9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each	<b>30.00</b>	30.00
95000 (31 <sup>st</sup> March, 2013:95000) 9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each	<b>95.00</b>	95.00
<b>Total</b>	<b>3000.00</b>	3000.00

**Issued Shares :**

27113091 (31 <sup>st</sup> March, 2013: 27113091) Equity Shares of Rs.10 /- each	<b>2711.31</b>	2711.31
<b>Total</b>	<b>2711.31</b>	2711.31

**Subscribed and fully paid-up shares :**

27107078 (31 <sup>st</sup> March, 2013: 27107078) Equity Shares of Rs.10 /- each fully paid-up	<b>2710.71</b>	2710.71
Forfeited amount on 6013 shares of Rs.10/- each, Rs. 5/- paid-up	<b>0.30</b>	0.30
<b>Total Subscribed and fully paid-up capital</b>	<b>2711.01</b>	2711.01

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

As at 31st March, 2014 As at 31st March, 2013  
No. Rs. No. Rs.

**Equity Shares**

At the beginning of the period	<b>271.07</b>	<b>2710.71</b>	271.07	2710.71
Add: Fresh Issue during the year	--	--	--	--
Less: Buy-back of Shares during the year	--	--	--	--
<b>Outstanding at the end of the period</b>	<b>271.07</b>	<b>2710.71</b>	271.07	2710.71

**b. Shareholders holding more than 5% shares**

As at 31st March, 2014 As at 31st March, 2013

Details of shareholders holding more than 5% shares in the Company	<b>Nil</b>	Nil
--	------------	-----

## Notes Forming Part of Accounts

(Rs. in Lakhs)  
Note -3

<b>RESERVES AND SURPLUS</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
<b>Capital Reserves</b>		
Capital investment subsidy	45.00	45.00
Forfeited Debentures **	0.30	0.30
Securities Premium Account	1129.40	1129.40
	-----	-----
<b>General Reserve</b>		
Balance as per the last Financial Statements	38722.74	33722.74
Add : Amount transferred from Surplus Balance in the Statement of Profit And Loss	490.00	5000.00
	-----	-----
<b>Closing Balance</b>	<b>39212.74</b>	<b>38722.74</b>
	-----	-----
<b>Surplus/(Deficit) In The Statement of Profit And Loss</b>		
Balance as per the last Financial Statements	9836.45	9212.84
Profit for the year	5454.28	7484.92
	-----	-----
	<b>15290.73</b>	<b>16697.76</b>
	-----	-----
Less : <b>Appropriations</b>		
Proposed Final Equity Dividend	1355.35	1626.42
Tax on Distributed Profits	180.51	234.89
Transfer to General Reserve	490.00	5000.00
	-----	-----
Total Appropriations	2025.86	6861.31
	-----	-----
<b>Net Surplus In Statement of Profit And Loss</b>	<b>13264.87</b>	<b>9836.45</b>
	-----	-----
<b>Total Reserves And Surplus Taken To Balance Sheet</b>	<b>53652.31</b>	<b>49733.89</b>
	-----	-----

Note: \*\* Forfeited Debentures have been transferred to Capital Reserve on total redemption of the remaining debentures in the same series.

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -4

**LONG-TERM BORROWINGS:**

	4.1. Non -current portion		4.2. Current maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Term Loans</b>				
Indian rupee Term Loan from banks (secured )	424.49	--	405.00	260.20
Interest Subvention Loan (Secured)	2193.47	--	--	--
	-----	-----	-----	-----
	2617.96	--	405.00	260.20
	-----	-----	-----	-----
<b>Other Loans and advances:</b>				
Deferred Sales Tax Loan (Unsecured)	3957.85	4195.34	--	346.80
<b>Deposits (unsecured)</b>				
Deposits from Directors/Related Parties (Refer Note No. 41 (e))	7044.65	7216.05	3560.85	2733.80
Others	2141.30	2198.10	1244.20	1216.20
Deposits from Hidustan Allied Chemicals Ltd. (Subsidiary) (Refer Note No. 41 (e) )	69.75	31.00	22.00	4.00
	-----	-----	-----	-----
	13213.55	13640.49	4827.05	4300.80
	-----	-----	-----	-----
<b>Total Amount</b>	<b>15831.51</b>	13640.49	<b>5232.05</b>	4561.00
	-----	-----	-----	-----
<b>The above amount includes</b>				
Secured borrowings	2617.96	--	405.00	260.20
Unsecured borrowings	13213.55	13640.49	4827.05	4300.80
Amount disclosed under the head "Other current liabilities"(Note No. 9.2 )	--	--	5232.05	4561.00
	-----	-----	-----	-----
<b>Net Amount</b>	<b>15831.51</b>	13640.49	--	--
	-----	-----	-----	-----

**Term Loans as on 31.03.2014 From Banks Comprises :**

	<b>Interest Subvention Loan</b>	<b>3MW Solar Power Plant Loan</b>
a) Loan Sanctioned	Rs. 2194.00 Lakhs	Rs.1484.00 Lakhs
b) Loan Availed	Rs. 2193.47 Lakhs	Rs. 829.49 Lakhs
c) No. of Installments	36 Monthly Installments after 2 years Moratorium Period.	11 Quarterly Installments
d) Installments commencing from	February, 2016	July, 2014
e) Rate of Interest	Interest Subvention at 12.00% p.a. will be met from Sugar Development Fund as per the Govt.of India Notification.	Base Rate + 1.25% p.a.
f) Installment Amount	Rs.60.95 Lakhs	Rs. 135.00 Lakhs
g) Lending Bank	Andhra Bank	Andhra Bank
h) Security	Pari Passu Second Charge on Fixed Assets of the Company.	Exclusive First Charge on Assets created out of the loan.

## Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -5

<b>Deferred Tax Liability (Net)</b>	<b>As at 31st March, 2014</b>	As at 31st March, 2013
<b>Deferred Tax Liability</b>		
Fixed Assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting	<b>9188.90</b>	9493.48
Others	--	--
	<b>9188.90</b>	9493.48
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	<b>694.32</b>	692.63
Provision for doubtful debts and advances	<b>10.41</b>	12.12
Others	--	--
	<b>704.73</b>	704.75
<b>Gross Deferred Tax Liability</b>	<b>9188.90</b>	9493.48
<b>Gross Deferred Tax Asset</b>	<b>704.73</b>	704.75
<b>Net Deferred Tax Liability</b>	<b>8484.17</b>	8788.73

**OTHER LONG-TERM LIABILITIES:**

	<b>As at 31st March, 2014</b>	As at 31st March, 2013
Trade payables	--	--
<b>Total</b>	<b>5915.81</b>	6249.27
<b>Others</b>		
Trade Deposits	<b>123.06</b>	117.07
Staff Security Deposit	<b>16.08</b>	14.75
Outstanding Liabilities for Others	<b>5776.67</b>	6117.45
<b>Total</b>	<b>5915.81</b>	6249.27

Note -7

**PROVISIONS**

	<b>Long-Term</b>		<b>Short-Term</b>	
	<b>As at 31st March, 2014</b>	As at 31st March, 2013	<b>As at 31st March, 2014</b>	As at 31st March, 2013
<b>Provision for employee benefits:</b>				
Provision for Gratuity	<b>520.81</b>	542.35	<b>255.89</b>	218.12
Provision for leave benefits	<b>203.26</b>	184.79	<b>315.89</b>	317.77
	<b>724.07</b>	727.14	<b>571.78</b>	535.89
<b>Other Provisions:</b>				
Provision for Wealth tax			<b>15.00</b>	14.00
Provision for Income tax			<b>10595.00</b>	9200.00
Proposed Equity Dividend			<b>1355.35</b>	1626.42
Provision for Tax on Distributed Profits			<b>180.51</b>	234.89
	--	--	<b>12145.86</b>	11075.31
	<b>724.07</b>	727.14	<b>12717.64</b>	11611.20

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)  
Note -8

**SHORT-TERM BORROWINGS**

	As at 31st March, 2014	As at 31st March, 2013
Cash credit from Banks (secured) @	6576.23	4551.80
Foreign currency loan from banks-Buyers Credit (secured) @	--	505.56
Short-term Loan from HDFC Bank (unsecured)	--	1000.00
<b>Deposits (unsecured)</b>		
Deposits from Directors/Related Parties (Refer Note No. 41 (e) )	451.00	
from Others	63.65	80.95
	7090.88	6138.31

**The above amount includes**

Secured borrowings	6576.23	5057.36
Unsecured borrowings	514.65	1080.95

Cash Credit is Secured by Hypothecation of inventories and receivables, and collaterally secured by a Second Charge on the fixed assets of the Company except those at the COP division and Wind Power divisions in Tamilnadu and Ramagiri, ranking pari passu among the members of the consortium of working capital lending banks. Foreign Currency Buyers Credit Exposure that are not hedged by derivative instruments as on 31<sup>st</sup> March, 2014 is amounting to Rs. NIL (as at 31<sup>st</sup> March, 2014 Rs. 505.56 Lakhs).

	As at 31st March, 2014	As at 31st March, 2013
<b>OTHER CURRENT LIABILITIES :</b>		
<b>9.1 Trade payables</b>	<b>1342.49</b>	899.84
	1342.49	899.84
<b>9.2 Other Liabilities:</b>		
Current maturities of long-term borrowings (Refer Note No. 4.2 )	5232.05	4561.00
Project related Payables	457.34	--
Interest accrued but not due on borrowings	334.80	320.10
Interest accrued and due on borrowings	--	12.56
Advance from Customers	223.56	208.68
Unpaid Dividend	106.64	108.61
Unpaid matured deposits and interest accrued thereon	48.13	50.17
Accrued Salaries and Benefits	641.63	594.33
Directors Remuneration Payable (Refer Note No. 41 )	638.04	1118.50
Staff Security Deposits	7.36	5.17
Statutory Dues	1241.81	1291.29
Others	3748.04	2328.65
	12679.40	10599.06
<b>Total</b>	<b>14021.89</b>	11498.90

## FIXED ASSETS

(Rs. in lakhs)  
Note - 10

	GROSS BLOCK				DEPRECIATION BLOCK				IMPAIRMENT BLOCK				NET BLOCK	
	Cost as at 31-3-13	Additions during the year	Deductions during the year	Cost as at 31-3-14	Dep. upto 31-3-13	Dep. for 13-14**	Dep on Dedn	Dep up to 31-03-14	Impairment upto 31-3-2013	Additions during the year	Deductions during the year	Impairment upto 31-3-2014	WDV AS AT 31-3-14	WDV AS AT 31-3-13
<b>10.1.Tangible Assets:</b>														
1) LAND	3220.43	256.17	--	3476.60	--	--	--	--	--	--	--	--	3476.60	3220.43
2) FACTORY BUILDINGS *	5743.84	33.30	--	5777.14	2195.25	152.21	--	2347.46	--	--	--	--	3429.68	3548.59
3) PLANT AND MACHINERY	66521.69	778.61	5.62	67294.68	31999.10	3310.68	4.34	35305.44	226.68	--	20.91	205.77	31783.47	34295.92
4) TRANSPORT EQUIPMENT	2972.64	447.63	160.83	3259.44	1554.78	360.55	146.69	1768.64	--	--	--	--	1490.80	1417.86
5) FURNITURE & FITTINGS	159.96	4.71	--	164.67	127.60	6.19	--	133.79	--	--	--	--	30.88	32.36
6) OFFICE EQUIPMENT	657.38	54.54	43.09	668.83	354.72	55.96	42.03	368.65	--	--	--	--	300.18	302.66
7) TRAMWAYS & RAILWAY SIDING	734.33	--	--	734.33	355.90	33.58	--	389.48	--	--	--	--	344.85	378.43
8) RENEWABLE ENERGY PLANT: WIND	8748.95	--	--	8748.95	2528.15	424.66	--	2952.81	--	--	--	--	5796.14	6220.80
<b>Total:</b>	88759.22	1574.96	209.54	90124.64	39115.50	4343.83	193.06	43266.27	226.68	--	20.91	205.77	46652.60	49417.05
Previous Year Total:	84059.72	4919.15	219.65	88759.22	35147.48	4135.47	167.45	39115.50	247.59	--	20.91	226.68	49417.04	48664.66
<b>10.2. Intangible Asset</b>	52.01	--	--	52.01	5.72	5.20	--	10.92	--	--	--	--	41.09	46.29

\* Including Buildings of the Gross value of Rs.42.50 lakhs Constructed on leasehold land.

\*\* Depreciation for the year includes depreciation on impaired assets to the extent of Rs. 20.91 Lakhs/- and depreciation capitalised to the extent of Rs.2.20 Lakhs/-.

Notes Forming Part of Accounts

(Rs. in Lakhs)  
Note -11

Non-Current Investments	As at 31st March, 2014	As at 31st March, 2013
<b>A) Trade Investments - Quoted</b>		
1 <b><u>Investment in Subsidiary</u></b> 48,86,500 (31st March 2013: 48,86,500 ) fully paid Equity Shares of Rs.10/- each in JOCIL Ltd.,	<b>441.79</b>	441.79
2 <b><u>Investments in Associate</u></b> 2,80,86,613 ( 31st March 2013: 2,80,86,613) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	<b>3660.56</b>	3660.56
3 <b><u>Investments in Other Companies</u></b>		
a) 1,40,000 ( 31st March 2013: 1,40,000 ) fully paid Equity Shares of Rs.10/-each in Sree Akkamamba Textiles Ltd.	<b>1.75</b>	1.75
b) 25,052 ( 31st March 2013: 25,052 ) fully paid Equity Shares of Rs.10/- each in Andhra Bank	<b>4.31</b>	4.31
<b>B) Trade Investments - Unquoted</b>		
1 <b><u>Investment in Subsidiaries</u></b>		
a) 3,28,760 ( 31st March 2013: 3,28,760 ) partly paid Equity Shares of Rs.10/- each (Rs.2.50 per share paid-up) in Hindustan Allied Chemicals Ltd.,(Unquoted)	<b>2.74</b>	2.74
b) 3,45,700 ( 31st March 2013: 3,45,700) fully paid Equity Shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(Unquoted)	<b>34.57</b>	34.57
2 <b><u>Investments in Other Companies</u></b> 1,10,04,080 ( 31st March 2013: 96,64,080 ) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd., (Unquoted)	<b>6158.59</b>	3656.74
<b>C) Other Investments</b>		
1 1391 ( 31st March 2013: 1391 )Equity Shares of Rs.10/- each, fully paid-up in Indian Bank (Quoted)	<b>1.27</b>	1.27
2 Investments in Govt. Securities: National Plan Saving Certificates (lodged with Govt.Departments towards security)	<b>0.54</b>	0.54
	<b>10306.12</b>	7804.27
<b>All the above investments are long-term investments.</b>		
<b>Aggregate Amount of unquoted investments</b>	<b>6196.44</b>	3696.34
<b>Aggregate Amount of quoted investments</b>	<b>4109.68</b>	4107.93
	<b>10306.12</b>	7804.27
<b>Aggregate Market value of quoted investments</b>	<b>7080.52</b>	7691.02



## Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -12

## Loans and advances

	Non-current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Capital Advances</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	45.52	59.31	--	--
	-----	-----	-----	-----
<b>(A)</b>	<b>45.52</b>	59.31	--	--
	-----	-----	-----	-----
<b>Security Deposit</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	1149.53	1070.09	84.87	83.38
Doubtful	--	--	--	--
	-----	-----	-----	-----
	<b>1149.53</b>	1070.09	<b>84.87</b>	83.38
	-----	-----	-----	-----
Provision for doubtful security deposit	--	--	--	--
	-----	-----	-----	-----
<b>(B)</b>	<b>1149.53</b>	1070.09	<b>84.87</b>	83.38
	-----	-----	-----	-----
<b>Loans and advances to related parties (note 41)</b>				
Unsecured, considered good	--	--	--	100.00
	-----	-----	-----	-----
<b>(C)</b>	--	--	--	100.00
	-----	-----	-----	-----
<b>Advances recoverable in cash or kind</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	--	--	1384.95	1279.70
Doubtful	--	--	20.62	20.62
	-----	-----	-----	-----
	--	--	<b>1405.57</b>	1300.32
Provision for doubtful advances	--	--	20.62	20.62
	-----	-----	-----	-----
<b>(D)</b>	--	--	<b>1384.95</b>	1279.70
	-----	-----	-----	-----
<b>Other Loans and Advances</b>				
Excise Duty paid in advance (including CENVAT credit pending utilisation)	--	--	265.79	438.08
Advance payment of Direct Taxes	--	--	11089.39	9224.54
Income Tax deducted at source	--	--	131.17	109.97
Income Tax Refund Receivable	--	--	0.96	0.96
Prepaid expenses	8.52	12.94	118.95	107.71
Balances with statutory/ government authorities	--	--	1.98	1.98
	-----	-----	-----	-----
<b>(E)</b>	<b>8.52</b>	12.94	<b>11608.24</b>	9883.24
	-----	-----	-----	-----
<b>Total [A+B+C+D+E]</b>	<b>1203.57</b>	1142.34	<b>13078.06</b>	11346.32
	-----	-----	-----	-----

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note -13.1

13.1 Trade receivables

	Non-current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured, considered good	--	--	8.44	4.26
Unsecured, considered good	--	--	--	--
Less than 6 Months from the due date for Payment:	--	--	9008.16	8871.35
More than 6 Months from the due date for Payment:	--	--	83.15	218.49
Doubtful	--	--	10.02	15.02
	-----	-----	-----	-----
	--	--	9109.77	9109.12
Provision for doubtful receivables	--	--	10.02	15.02
	-----	-----	-----	-----
	--	--	9099.75	9094.10
	-----	-----	-----	-----
<b>Total</b>	--	--	9099.75	9094.10
	-----	-----	-----	-----

Note -13.2

13.2 Other Current Assets

	Non-current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Non-current bank balances	-----	-----	-----	-----
<b>[A]</b>	--	--	--	--
	-----	-----	-----	-----
<b>Unamortised expenditure</b>				
<b>(B)</b>	--	--	--	--
	-----	-----	-----	-----
<b>Others</b>				
Interest accrued on Deposits	--	--	89.58	81.47
Interest accrued on investments	--	--	--	--
Others	--	--	--	--
	-----	-----	-----	-----
<b>[C]</b>	--	--	89.58	81.47
	-----	-----	-----	-----
<b>Total [A+B+C]</b>	--	--	89.58	81.47
	-----	-----	-----	-----

Note -14

Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2014	As at 31st March, 2013
Raw materials and components at Cost	2349.72	2718.42
Work-in-progress		
: At Cost	135.17	161.94
: At Estimated Realisable Value	105.89	101.32
Finished goods		
: At Cost	4526.58	10231.28
: At Estimated Realisable Value	24366.71	11672.93
Stores and spares at Cost (includes in transit Rs.16.47 lakhs) (31 <sup>st</sup> March 2013: Rs .76.32 Lakhs)	4291.50	3957.88
Loose tools	39.15	34.82
Others	31.73	27.76
	-----	-----
<b>Total</b>	35846.45	28906.35
	-----	-----

## Notes Forming Part of Accounts

(Rs. in Lakhs)  
Note -15

## CASH AND BANK BALANCES

## Non-current

## Current

Cash and Cash Equivalents :As at 31st  
March, 2014As at 31st  
March, 2013As at 31st  
March, 2014As at 31st  
March, 2013

## Balances with Banks:

On current accounts

--

--

1161.27

1280.45

Deposits with original maturity of  
less than 3 months

--

--

--

--

Cheques/drafts on hand

--

--

433.60

849.13

Cash on hand

--

--

15.98

12.50

-----

-----

-----

-----

--

--

1610.85

2142.08

-----

-----

-----

-----

Other Bank Balances :Deposits with original maturity for  
more than 12 months

--

--

--

--

For more than 3 months but less than 12 months

--

--

130.81

104.70

On unpaid dividend account

--

--

106.64

108.61

Earmarked Balances with Banks

(15% Liquidity on Fixed Deposits held  
u/s 58A of the Companies Act, 1956)

--

--

132.96

49.80

Margin money deposit

--

--

274.77

184.25

-----

-----

-----

-----

--

--

645.18

447.36

-----

-----

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**Total**

--

--

2256.03

2589.44

-----

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Note -16

## Revenue from Operations

This Year

Previous Year

**Sale of products:**

Finished goods

76363.77

85450.64

Traded goods

--

247.46

Sale of services

59.12

32.25

**Other operating revenue**

Freight and Sales Expenses Recovered

879.70

1843.14

Subsidy Received on Superphosphate Sales

927.69

1073.69

Export Premium on Sugar

--

70.25

Status Holder Incentive Scrips

13.75

--

Minimum Offtake Commitment income from ISRO

134.58

249.93

Processing and Job Work income

0.44

0.71

-----

-----

**Revenue from operations (gross)**

78379.05

88968.07

Less: Excise Duty

5762.48

5767.76

-----

-----

Revenue from operations (net)

72616.57

83200.31

-----

-----

**Notes Forming Part of Accounts**

**(Rs. in Lakhs)**

**Note -16.1**

**Details of Products Sold**

**This Year**

Previous Year

**Finished goods sold**

Sugar	<b>11396.47</b>	26461.04
Molasses	--	282.17
Industrial Alcohol & Ethanol	<b>3170.80</b>	2159.81
Acetic Acid	<b>65.10</b>	85.48
Acetic Anhydride	<b>260.28</b>	112.33
Ethyl Acetate	--	0.73
Aspirin	<b>1031.18</b>	710.12
Caustic Soda	<b>33077.35</b>	30562.35
Caustic Potash	<b>6024.55</b>	4333.28
Chlorine	<b>1128.91</b>	617.62
Hydrochloric Acid	<b>3246.29</b>	1695.43
Sodium Hypochlorite	<b>2051.30</b>	1761.10
Hydrogen Gas	<b>939.19</b>	1085.60
Sulphuric Acid	<b>5619.87</b>	7220.78
Superphosphate	<b>1748.09</b>	1888.28
UH25	<b>976.15</b>	167.69
Mono Methyl Hydrazine	<b>380.22</b>	341.37
HTPB	<b>763.97</b>	880.28
Wind Power	<b>829.83</b>	1076.87
Cattle Feed	<b>779.45</b>	694.12
Potassium Carbonate	<b>820.70</b>	1534.47
Poly Aluminium Chloride	<b>782.92</b>	536.34
Liquid Hydrogen	<b>626.07</b>	332.61
Others	<b>645.08</b>	910.77

**76363.77**

85450.64

**Traded goods sold**

--

247.46

**Details of services rendered**

**59.12**

32.25

**Note -17**

**Other Income**

**This Year**

Previous Year

**Interest Income on**

Bank deposits	<b>119.26</b>	172.25
Others	<b>118.90</b>	132.56

**Dividend income on**

Investments in Subsidiary (Jocil Ltd.)	<b>293.19</b>	244.32
Investments in Associate (The Andhra Petrochemicals Ltd.)	--	123.93
Long-term Investments	<b>4.49</b>	2.88
Rent received	<b>99.77</b>	91.52
Net gain on Sale of Long-term Investments	--	--
Net gain on Sale of Current Investments	<b>52.25</b>	11.79
Net gain on Sale of Assets	<b>33.02</b>	59.60
Other non-operating income #	<b>580.00</b>	534.72

**1300.88**

1373.57

## Notes Forming Part of Accounts

(Rs. in Lakhs)

## # Other Non-operating Income includes :

	This Year	Previous Year
Excess Provision In Earlier Years Credited Back	365.18	28.86
Claims Received	6.92	4.74
Income Not Relating to This year	--	0.34
Income From Agriculture (Net)	5.28	--
Misc. Scrap Sales	186.90	475.79
Excise Duty Recovery-Scrap Sale	5.64	3.46
Other Misc. Receipts	10.08	21.53
<b>Total</b>	<b>580.00</b>	<b>534.72</b>

## Note -18

## Cost of Raw Material consumed

	This Year	Previous Year
Inventory at the beginning of the year	2718.42	3671.97
Add: Purchases	30449.72	30500.27
	<b>33168.14</b>	<b>34172.24</b>
Less: Inventory at the end of the year	2349.72	2718.42
Cost of Raw Material Consumed	<b>30818.42</b>	<b>31453.82</b>

## Details of Raw Material consumed

	This Year	Previous Year
Sugar Cane	14620.49	15156.38
Phenol	594.98	553.55
Sulphur	3922.04	5658.36
Rockphosphate	1836.56	2145.50
Salt	3987.10	3478.35
Potassium Chloride	3109.09	2731.81
Alumina Hydride	534.43	413.23
Extractions for Cattle feed	448.40	395.88
Other Raw Materials	1765.33	920.76
<b>Total</b>	<b>30818.42</b>	<b>31453.82</b>

## Details of Inventory

	This Year	Previous Year
<b>Raw Materials</b>		
Sugar Cane	--	--
Phenol	24.09	33.54
Sulphur	1261.70	1057.13
Rockphosphate	570.55	1012.16
Salt	105.29	443.40
Potassium Chloride	199.90	0.21
Alumina Hydride	53.82	66.60
Extractions for Cattle feed	31.00	32.28
Other Raw Materials	103.37	73.10
<b>Total</b>	<b>2349.72</b>	<b>2718.42</b>

<b>Notes Forming Part of Accounts</b>	<b>(Rs. in Lakhs)</b>		
	<b>Note -19</b>		
<b>(Increase)/ Decrease in Inventories</b>	<b>This Year</b>	Previous Year	<b>(Increase)/ Decrease</b>
<b>Inventories at the end of the year</b>			<b>2013-14</b>
Work-in-progress	<b>241.06</b>	263.26	22.20
Finished Goods	<b>28893.29</b>	21904.21	(6989.08)
	<b>29134.35</b>	22167.47	(6966.88)
<b>Inventories at the Beginning of the year</b>			2012-2013
Work-in-progress	<b>263.26</b>	279.73	16.47
Finished Goods	<b>21904.21</b>	22676.25	772.04
	<b>22167.47</b>	22955.98	788.51
<b>Details of Purchase of Traded goods</b>	<b>This Year</b>	Previous Year	
Acetic Anhydride	--	163.26	
<b>Details of Inventory</b>	<b>This Year</b>	Previous Year	
<b>Work-in-progress</b>			
Sugar	<b>116.68</b>	132.88	
Molasses	<b>1.13</b>	0.75	
Sulphuric Acid	<b>38.13</b>	51.75	
Caustic Potash	<b>36.33</b>	1.39	
Caustic Soda	<b>13.38</b>	15.28	
Aspirin	<b>16.49</b>	46.12	
Potassium Carbonate	<b>14.47</b>	15.09	
Others	<b>4.45</b>	--	
<b>Total</b>	<b>241.06</b>	263.26	
<b>Finished goods</b>			
Sugar	<b>25281.94</b>	19204.59	
Molasses	<b>882.73</b>	400.70	
Sulphuric Acid	<b>94.65</b>	188.43	
Superphosphate	<b>858.89</b>	636.09	
Caustic Soda	<b>212.28</b>	572.41	
Caustic Potash	<b>115.00</b>	181.43	
Chlorine	<b>3.48</b>	2.13	
Sodium Hypochlorite	<b>3.14</b>	2.30	
Hydrochloric Acid	<b>4.22</b>	3.05	
Industrial Alcohol & Ethanol	<b>143.85</b>	30.61	
Acetic Acid	<b>0.28</b>	0.05	
Acetic Anhydride	<b>10.75</b>	17.01	
Ethyl Acetate	<b>--</b>	1.19	
Aspirin	<b>68.82</b>	189.22	
Organic Derivatives of Hydrazine or of Hydroxyl Amine	<b>428.44</b>	334.10	
HTPB	<b>45.58</b>	14.09	
Hydrogen Gas	<b>1.03</b>	0.68	
Potassium Carbonate	<b>382.90</b>	37.75	
Poly Aluminium Chloride	<b>29.74</b>	14.81	
Others	<b>325.57</b>	73.57	
<b>Total</b>	<b>28893.29</b>	21904.21	

## Notes Forming Part of Accounts

(Rs. in Lakhs)

## Note -20

**Employee Benefit Expense**

	<b>This Year</b>	Previous Year
Salaries, Wages and Bonus	<b>6404.89</b>	6398.28
Contribution to Provident and other fund	<b>640.77</b>	605.15
Gratuity Expense	<b>302.68</b>	137.89
Staff Welfare Expenses	<b>345.92</b>	289.43
	-----	-----
<b>Total</b>	<b>7694.26</b>	7430.75
	-----	-----

## Note -21

**Depreciation and Amortisation Expense**

	<b>This Year</b>	Previous Year
Depreciation of Tangible assets	<b>4320.73</b>	4114.09
Amortisation of Intangible Assets	<b>5.20</b>	5.20
	-----	-----
<b>Total</b>	<b>4325.93</b>	4119.29
	-----	-----

## Note -22

**Finance Costs**

	<b>This Year</b>	Previous Year
Interest	<b>1779.78</b>	1837.42
Difference in Exchange treated as Finance Cost	<b>142.95</b>	45.18
Other Borrowing Costs	<b>54.95</b>	47.88
	-----	-----
<b>Total</b>	<b>1977.68</b>	1930.48
	-----	-----

**Notes Forming Part of Accounts**

(Rs. in Lakhs)

**Note -23**

<b>Other Expenses</b>	<b>This Year</b>	Previous Year
Consumption of Stores and Spares	1696.29	1896.78
Increase/(Decrease) of Excise Duty on Inventory	160.56	(169.98)
Power and Fuel	15233.12	13542.23
Insurance	121.18	111.92
Sugarcane Development Expenses	142.50	130.04
Rent	30.35	15.42
Rates and Taxes	591.37	733.51
<b>Repairs and maintenance</b>		
Plant and machinery	3840.15	3039.88
Buildings	283.64	339.37
Others	855.20	622.10
Advertising and sales promotion	18.11	106.08
Handling, Transport & Expenses at Sales Depots	3877.32	2943.48
Sales Commission	49.35	57.68
Donations	150.50	205.30
Directors' sitting fees	7.80	8.40
Payment to auditors (Refer details below)	29.38	22.81
Exchange differences (net)	209.37	250.14
Bad debts/advances written off	--	0.09
Provision for doubtful debts and advances	--	8.80
Excess Offtake charges to ISRO	32.44	39.63
Net Loss on Sale of Long-term Investments	--	15.24
Loss from Agriculture (Net)	--	4.68
Bank Charges	77.79	77.18
Assets Written off	2.85	16.63
Stores & Spares Written off	--	52.42
Miscellaneous Expenses	1036.31	916.71
	-----	-----
<b>Total</b>	<b>28445.58</b>	24986.54
	-----	-----
<b>Payment to Auditors</b>	<b>This Year</b>	Previous Year
<b>As Auditor</b>	<b>12.50</b>	11.50
For Taxation Matters	<b>4.50</b>	2.00
For Limited review & Other Certifications	<b>6.27</b>	4.93
For Reimbursement of expenses	<b>1.18</b>	1.29
<b>As Cost Auditors</b>	<b>4.00</b>	1.90
Fee for Certification	<b>0.61</b>	0.75
For Reimbursement of expenses	<b>0.32</b>	0.44
	-----	-----
<b>Total</b>	<b>29.38</b>	22.81
	-----	-----



## Notes Forming Part of Accounts

(Rs. in Lakhs)

	As at 31-3-2014	As at 31-3-2013
24. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	<b>1143.54</b>	64.93
25. a) Uncalled liability on partly paid shares held as Investments	<b>24.66</b>	24.66
b) Liability on account of membership in Alkali Manufacturers' Association of India, a company limited by Guarantee	<b>0.01</b>	0.01
c) Other commitments in respect of sale contracts	<b>3730.08</b>	5313.81
26. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	<b>4177.24</b>	4075.73
ii) Service Tax	<b>32.16</b>	29.78
iii) Sales Tax	<b>146.03</b>	150.50
iv) Income Tax	<b>31.35</b>	79.92
v) State Levies	<b>203.97</b>	198.09
vi) Suppliers and Service Contract	<b>221.59</b>	351.04
vii) Labour related	<b>5.00</b>	5.00
27. Other monies for which the Company is contingently liable :		
(a) Guarantees issued by the Company for obligations arising out of events occurred at the Balance Sheet date	<b>2032.95</b>	1894.28
(b) On Letter of Credit opened with banker for purchase of Material	<b>1580.39</b>	1333.13
(c) Under the provisions of "The Levy Sugar Price Equalisation Fund Act, 1976" the excess amount collected over the notified levy sale price pursuant to the interim stay granted by the Courts vests in the fund. In a writ petition No: 1534/76 filed by the Company against these provisions, the High Court of Andhra Pradesh has held that provisions of the said Act are not applicable to the excess collections made prior to 15-6-1972, against which the Union Government filed a civil appeal No: 274/79 before the Supreme Court, which is pending.		
<p>While admitting the appeal, the Supreme Court granted stay of operation of Judgment of A.P. High Court in W.P.No: 1534/76 and directed the Company to furnish a Bank Guarantee for Rs.9.60 lakhs being the difference in levy Sugar price for the Sugar Season 1969-70. The Bank Guarantee was furnished on 7-12-1979 in favour of Registrar, High Court of Andhra Pradesh. Interest, if any, payable under the said Act, estimated at Rs. 64.39 lakhs (Rs 62.66 lakhs) has not been provided for in the accounts pending final legal decision in the matter. However, an amount of Rs.66.80 lakhs was appropriated during the Financial Year 2008-09 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the Company.</p>		
28. Exceptional item in 2012-13 represents Liability of the Company towards Fuel Surcharge Adjustment Charge payable to Eastern Power Distribution Company of Andhra Pradesh Ltd., for the years 2010-11 and 2011-12 as per the orders of APERC.		
29. In the opinion of the management, all the amounts stated under sundry debtors and loans and advances are recoverable at the values at which they are stated.		

Notes Forming Part of Accounts

(Rs. in Lakhs)

**30.** Disclosures on payments and dues to “suppliers” as defined in Micro, Small and Medium enterprises Development Act, 2006 (“The Act”).

1.	Amount remaining unpaid, beyond the appointed / agreed date at the end of the year 31.3.2014.	
	(a) Principal amount of bills to be paid	--
	(b) Interest due thereon	--
2.	(a) Payments made to suppliers, during the year, but beyond appointed / agreed by Interest thereon in terms of Section 16 of the Act	<b>42.19</b> <b>0.32</b>
	(b) Interest paid along with such payments during the year	<b>0.005</b>
	(c) Interest due and payable at the end of the year, on such payments made during the year	<b>0.005</b>
3.	Amount of interest, for the year, under Section 16 of the Act, including that accrued and remaining unpaid, at the end of the year	<b>0.32</b>
4.	Total amount of interest, under Section 16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year	<b>0.32</b>

Note : For the purpose of the above, details of the status of the suppliers under the Act has been determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the Company and its auditors.

**31.** Loans and Advances in the nature of loans given to subsidiary Hindustan Allied Chemicals Limited as per Clause 32 of the Listing Agreement is Rs. Nil as on 31.3.2014. (Maximum balance outstanding during the year is Rs. 0.64 Lakhs ). The investment in the Equity Shares of the company is Nos. 328760.

**32.** Closing stock units of Wind farm at Ramagiri and power generation unit at Taduvai as per the books of the Company and as confirmed by the APGENCO is subject to reconciliation, to the extent of Rs.11.83 lakhs due to certain matters pending before the Honourable High Court of Andhra Pradesh.

## Notes Forming Part of Accounts

(Rs. in Lakhs)

## Note - 33

## Comparison between consumption of Imported and Indigenous Raw Materials during the year :

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	8553.84	28	9694.52	31
Indigenous	21764.58	72	21759.30	69
	<u>30318.42</u>	<u>100</u>	<u>31453.82</u>	<u>100</u>

## Note - 34

## Comparison between consumption of Imported and Indigenous spare parts and components during the year (charged to appropriate heads):

	This year		Previous Year	
	Value	Percentage	Value	Percentage
Imported	398.96	7	339.86	6
Indigenous	5511.53	93	5571.19	94
	<u>5910.49</u>	<u>100</u>	<u>5911.05</u>	<u>100</u>

## Note - 35

## Value of Imports made by the Company during the year calculated on C.I.F. basis

	This year	Previous Year
Capital Goods	67.86	1281.01
Components and spare parts	632.61	254.75
Raw Materials	7559.69	6985.92
	<u>8260.16</u>	<u>8521.68</u>

## Note - 36

	This year	Previous Year
Earnings in foreign exchange on FOB basis:	343.03	95.06

## Note - 37

## Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	18.60	26.42
Foreign travel (excluding tickets purchased in India)	50.43	39.08
Delegation fee	2.49	1.20
Professional charges	--	0.26
Consultation Fee	29.33	16.43
Sales Expenses	10.03	5.40
Bank Charges	2.04	1.19
Interest paid	16.13	73.27
Managerial remuneration (Medical expenses to Whole-time Directors)	--	--

Notes Forming Part of Accounts

(Rs. in Lakhs)

Note - 38

During the year the Company has incurred the following expenditure towards R&D (Charged to appropriate heads)

	This year	Previous Year
<u>Sugar Cane R &amp; D</u>		
a) Capital Expenditure	70.91	78.57
b) Revenue Expenditure (charged to appropriate heads)	292.88	158.74
<u>General R &amp; D</u>		
a) Capital Expenditure	120.51	--
b) Revenue Expenditure (charged to appropriate heads)	57.04	103.83
	-----	-----
	<b>541.34</b>	341.14
	-----	-----

Note - 39

(A) Revenue expenditure does not include the following, which formed part of the cost of capital equipment internally manufactured for captive usage.

	This year	Previous Year
Salaries, Wages and Bonus	74.50	83.23
Contribution to Provident, Gratuity and other funds	7.61	6.84
Workmen and Staff Welfare Expenses	3.99	4.73
Power and Fuel	4.25	4.49
Insurance	0.04	0.02
Repairs to Buildings	3.21	0.20
Repairs to Plant & Machinery	1.20	3.27
Miscellaneous Expenses	0.62	0.15
Depreciation	2.20	0.46
	-----	-----
	<b>97.62</b>	103.39
	-----	-----

(B) Unallocated Capital Expenditure capitalised during the year

Staff salaries & wages	4.82	11.32
Power & Fuel	--	10.50
Raw Material consumption	--	2.96
Processing Fee & other Bank Charges	28.12	4.13
Commission	--	0.63
Project Approval Fees & Certifications	2.74	1.20
Travel expenses	0.10	0.42
Service charges	--	0.05
	-----	-----
	<b>35.78</b>	31.21
Less: Interest received from banks	0.19	26.76
	-----	-----
Net unallocated expenditure capitalised during the year:	<b>35.59</b>	4.45
	-----	-----

(C) Foreign Exchange Gain on account of Capital Equipment purchased, transferred to Cost of the Asset.

--	42.55
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## Notes Forming Part of Accounts

(Rs. in Lakhs)

Note - 40

**DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-15 (REVISED)- EMPLOYEE BENEFITS**

	Gratuity	Compensated Absences
<b>a) <u>Reconciliation for present value of obligations</u></b>		
Present value of obligations as at the beginning of year	2443.63	502.56
Interest Cost	195.49	31.03
Current Service Cost	173.58	105.06
Benefits paid	(213.71)	(162.78)
Actuarial loss /(gain) on obligation	96.36	43.28
Present value of obligations as at the end of year	2695.35	519.15
<b>b) <u>Reconciliation for Fair Value of Plan Assets</u></b>		
Fair value of plan assets at the beginning of year	1683.16	
Expected return on plan assets	162.75	
Contributions	286.45	
Benefits paid	(213.71)	
Actuarial gain on plan assets	--	
Fair value of plan assets at the end of year	1918.65	
<b>c) <u>Expenses Recognised in Statement of Profit &amp; Loss</u></b>		
Current Service cost	173.58	105.06
Interest Cost	195.49	31.03
Expected return on plan assets	162.75	--
Net Actuarial loss/(gain) recognised in the year	96.36	43.28
Expenses to be recognised in the Statement of Profit & Loss	302.68	179.37
<b>d) <u>Net Liability Recognised in the Balance Sheet</u></b>		
Present value of obligations as at the end of year	2695.35	519.15
Fair value of plan assets as at the end of the year	1918.65	--
Funded status	776.70	--
Net Liability recognised in the Balance Sheet	776.70	519.15
<b>e) <u>Actuarial Assumptions</u></b>		
	31/03/2014	31/03/2014
Discount Rate	8.00%	9.40%
Salary Escalation	8.00%	6.00%
Attrition rate	2.00%	2.00%
Expected return on plan assets	8.85%	--
Mortality	LIC 94-96 Mortality Rates	IAL (2006-08) Mortality Rates

**PARTICULARS DISCLOSED PURSUANT TO “ACCOUNTING STANDARD -18 RELATED PARTY DISCLOSURES”**

**(A) LIST OF RELATED PARTIES:**

**1) Subsidiary Companies:**

- (a) JOCIL LIMITED
- (b) The Andhra Farm Chemicals Corporation Limited
- (c) Hindustan Allied Chemicals Limited

**2) Key Management Personnel (KMP) :**

**Wholetime Directors**

Dr. B.B.Ramaiah  
 Sri Pendyala Narendranath Chowdary  
 Sri Mullapudi Narendranath  
 Sri Mullapudi Thimmaraja  
 Sri Pendyala Achuta Ramayya  
 Sri P.S.R.V.K.Ranga Rao

**3) Relatives of Key Management Personnel**

Sri B.V.V.S.Ramesh Kumar	Son of Dr.B.B.Ramaiah
Smt. Pendyala Jhansi Jayalakshmi	Wife of Sri P.Narendranath Chowdary
Sri Pendyala Venkata Krishna Rao	Brother of Sri P.Narendranath Chowdary
Smt. Sri Balusu Ranganayaki alias Radhika	Sister of Sri P.Narendranath Chowdary
Smt. Ethirajulu Ramalakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jujjavarapu Usha Rani	Sister of Sri P.Narendranath Chowdary
Smt. Maddipoti Kamala Devi	Sister of Sri P.Narendranath Chowdary
Smt. Mullapudi Satyanarayanamma	Sister of Sri P.Narendranath Chowdary
Smt. Nutakki Ananthalakshmi	Sister of Sri P.Narendranath Chowdary
Kum. Pendyala Ananthalakshmi Satyavathi Devi	Daughter of Sri P.Narendranath Chowdary
Smt. Jayaraman Ananthalakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Ramalakshmi	Sister of Sri M.Narendranath
Smt. Nidadavolu Venkata Ramanamma	Sister of Sri M.Narendranath
Smt. Yelamarthy Narayanamma	Sister of Sri M.Narendranath
Smt. Mullapudi Narayanamma	Wife of Sri M.Narendranath
Sri Mullapudi Vikram Prasad	Son of Sri M.Narendranath
Smt. Gaddipati Anuradha	Daughter of Sri M.Narendranath
Smt. Goli Jayashree	Daughter of Sri M.Narendranath
Smt. Mullapudi Renuka	Wife of Sri M.Thimmaraja
Sri Mullapudi Mrutyumjaya Prasad	Son of Sri M.Thimmaraja
Smt. Goli Devi	Daughter of Sri M.Thimmaraja
Smt. Pendyala Sesha Shailaja	Wife of Sri P.Achuta Ramayya

Smt. Pendyala Divya Atchamamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Shruthi Rajeshwari	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sujatha	Mother of Sri P.S.R.V.K.Ranga Rao
Smt. Pendyala Usha Lakshmi	Wife of Sri P.S.R.V.K.Ranga Rao
Kum. Pendyala Meghana Sri Sai Sujatha	Daughter of Sri P.S.R.V.K.Ranga Rao
Chy. Pendyala Prithvi Sri Narendra Rayudu	Son of Sri P.S.R.V.K.Ranga Rao

**4) Enterprises in which Key Management Personnel and/or their relatives have significant influence**

Andhra Pradesh Gas Power Corporation Limited  
Jaya Industries  
Jayalakshmi Chemical Enterprises Pvt. Limited  
Jayalakshmi Estates  
Jayalakshmi Estates Limited  
Jayalakshmi Fertilisers  
Jayalakshmi Plastics and Chemicals  
Ramaiah & Co.  
Royal Printing Works  
Mullapudi Venkatarayudu Eye Centre  
Mullapudi Kamala Devi Cardiovascular Centre  
Sree Akkamamba Textiles Limited  
Sree Mullapudi Thimma Raju Memorial Library & Cultural Centre  
Sree Mullapudi Venkataramanamma Memorial Hospital  
Sree Rangaraya Estates  
Sree Sarvaraya Sugars Limited  
Sree Satyanarayana Spinning Mills Limited  
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust  
Sree Harischandra Prasad Investment & Finance Company Limited  
Sree Mullapudi Venkatarayudu Memorial Educational Trust  
Sree Mullapudi Venkataraya Memorial Polytechnic  
Sree Mullapudi Venkatarayudu Memorial Medical Trust  
Sugarfield Constructions Pvt. Limited  
The Mullapudi Investment & Finance Company Pvt. Limited  
Thimmaraja Investment & Finance Company Pvt. Limited  
Vibhas Polymers Pvt. Limited

**5) Associate Company :**  
The Andhra Petrochemicals Limited

**(B) TRANSACTIONS WITH THE RELATED PARTIES:**

Note - 41

(Corresponding figures related to 31<sup>st</sup> March, 2013)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
<b>Purchase of Goods from</b>	<b>122.84</b>	<b>5879.69</b>	<b>0.00</b>	<b>23.15</b>	<b>12.95</b>
	(96.99)	(5037.55)	(0.00)	(21.80)	(10.75)
The Andhra Farm Chemicals Corporation Limited	<b>110.63</b>				
JOCIL Limited	<b>12.21</b>				
Dr. B.B.Ramaiah				<b>19.08</b>	
Sri Pendyala Achuta Ramayya				<b>3.89</b>	
Royal Printing Works				<b>0.18</b>	
Andhra Pradesh Gas Power Corporation Limited		<b>5029.34</b>			
Jaya Industries		<b>263.57</b>			
Sree Mullapudi Venkataramanamma Memorial Hospital		<b>0.98</b>			
Sri Sarvaraya Sugars Limited		<b>138.90</b>			
Sree Akkamamba Textiles Limited		<b>2.70</b>			
Sree Satyanarayana Spinning Mills Limited		<b>1.39</b>			
Jayalakshmi Chemicals Enterprises Pvt. Limited		<b>18.34</b>			
Vibhas Polymers Pvt. Limited		<b>424.47</b>			
Sri Pendyala Venkata Krishna Rao					<b>1.02</b>
Smt. Pendyala Jhansi Jayalakshmi					<b>2.37</b>
Smt. Pendyala Sujatha					<b>3.69</b>
Smt. Sri Balusu Ranganayaki alias Radhika					<b>3.47</b>
Sri B.V.V.S.Ramesh Kumar					<b>2.40</b>
<b>Purchase of Fixed Assets from</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Inter-Corporate Loans given to</b>	<b>0.00</b>	<b>100.00</b>	<b>1000.00</b>	<b>0.00</b>	<b>0.00</b>
	(200.00)	(0.00)	(0.00)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			<b>1000.00</b>		
Sree Akkamamba Textiles Limited		<b>100.00</b>			
<b>Inter-Corporate Loans re-payment from</b>	<b>0.00</b>	<b>100.00</b>	<b>1000.00</b>	<b>0.00</b>	<b>0.00</b>
	(200.00)	(400.00)	(0.00)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			<b>1000.00</b>		
Sree Akkamamba Textiles Limited		<b>100.00</b>			
<b>Fixed Deposits Received from :</b>	<b>91.75</b>	<b>1.00</b>	<b>0.00</b>	<b>4404.80</b>	<b>7656.10</b>
	(9.00)	(0.00)	(0.00)	(965.40)	(1354.90)
Dr. B.B. Ramaiah				<b>630.00</b>	
Sri Mullapudi Narendranath				<b>705.40</b>	
Sri Mullapudi Thimmaraja				<b>840.75</b>	
Sri P.S.R.V.K. Ranga Rao				<b>200.00</b>	
Sri Pendyala Achuta Ramayya				<b>283.60</b>	
Sri Pendyala Narendranath Chowdary				<b>1740.05</b>	
Royal Printing Works				<b>5.00</b>	
Dr. B.B. Ramaiah (HUF)					<b>10.00</b>
Smt. Ethirajulu Ramalakshmi					<b>5.55</b>
Smt. Gaddipati Anuradha					<b>81.10</b>



## Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Smt. Goli Devi					115.10
Smt. Goli Jayashree					90.50
Smt. Jayaraman Ananthalakshmi					113.00
Smt. Jujjavarapu Usha Rani					570.90
Smt. Kosaraju Ramalakshmi					266.35
Smt. Maddipoti Kamala Devi					610.45
Sri Mullapudi Mrutyumjaya Prasad					172.60
Smt. Mullapudi Narayanamma					217.65
Smt. Mullapudi Renuka					454.05
Sri Mullapudi Vikram Prasad					134.95
Smt. Nidadavolu Venkata Ramanamma					425.70
Smt. Nutakki Ananthalakshmi					10.00
Sri P.S.R.V.K. Ranga Rao (HUF)					336.75
Kum. Pendyala Anantha Lakshmi Satyavathi Devi					814.40
Sri Pendyala Achuta Ramayya (HUF)					309.15
Smt. Pendyala Divya Atchamamba					137.50
Smt. Pendyala Jhansi Jayalakshmi					651.95
Kum. Pendyala Meghana Sri Sai Sujatha					50.95
Sri Pendyala Narendranath Chowdary (HUF)					273.35
Chy. Pendyala Prithvi Sri Narendra Rayudu					36.70
Smt. Pendyala Sesha Shailaja					231.00
Smt. Pendyala Shruthi Rajeshwari					236.15
Smt. Pendyala Sujatha					886.60
Smt. Sri Balusu Ranganayaki alias Radhika					364.70
Smt. Yelamarthy Narayanamma					49.00
Hindustan Allied Chemicals Limited	91.75				
Sugarfield Constructions Pvt. Limited		1.00			
<b>Fixed Deposits repaid on maturity/cancellation</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>728.90</b>	<b>276.50</b>
	(2.00)	(0.00)	(0.00)	(501.50)	(307.35)
Dr. B.B. Ramaiah				170.00	
Sri Mullapudi Narendranath				230.90	
Sri Mullapudi Thimmaraja				20.00	
Sri P.S.R.V.K. Ranga Rao				200.00	
Sri Pendyala Achuta Ramayya				50.00	
Sri Pendyala Narendranath Chowdary				58.00	
Smt. Jayaraman Ananthalakshmi					35.75
Smt. Kosaraju Ramalakshmi					93.70
Smt. Nidadavolu Venkata Ramanamma					7.80
Kum. Pendyala Meghana Sri Sai Sujatha					2.45
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.75
Smt. Sri Balusu Ranganayaki alias Radhika					136.05
<b>Services Rendered by</b>	<b>0.00</b>	<b>13.91</b>	<b>0.00</b>	<b>23.31</b>	<b>1.71</b>
	(0.23)	(6.60)	(0.00)	(19.55)	(1.71)
Sri Mullapudi Thimmaraja				4.11	
Sri Mullapudi Mrutyumjaya Prasad					1.71
Royal Printing Works				19.20	
Sree Mullapudi Venkataramanamma Memorial Hospital		8.54			
Sree Mullapudi Venkatarayudu Memorial Medical Trust		4.50			

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Mullapudi Venkatarayudu Eye Centre		0.19			
Sree Mullapudi Venkataraya Memorial Polytechnic		0.68			
<b>Sale of Goods to</b>	<b>259.34</b>	<b>1186.06</b>	<b>29.27</b>	<b>3.26</b>	<b>0.00</b>
	(1280.58)	(1264.00)	(60.73)	(4.37)	(0.00)
JOCIL LIMITED	214.40				
The Andhra Farm Chemicals Corporation Limited	44.94				
The Andhra Petrochemicals Limited			29.27		
Sree Mullapudi Venkatarayudu Memorial Hospital		1.07			
Sree Mullapudi Venkataraya Memorial Polytechnic		0.44			
Sree Rangaraya Estates		1.65			
Jayalakshmi Fertilisers		1180.03			
Sri Sarvaraya Sugars Limited		2.81			
Vibhas Polymers Pvt. Limited		0.06			
Sri Mullapudi Narendranath				3.26	
<b>Sale of Fixed Assets to</b>	<b>0.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
JOCIL Limited	0.05				
<b>Services Rendered to</b>	<b>0.06</b>	<b>0.21</b>	<b>0.91</b>	<b>0.00</b>	<b>0.00</b>
	(0.27)	(0.00)	(1.40)	(0.00)	(0.00)
JOCIL Limited	0.06				
The Andhra Petrochemicals Limited			0.91		
Vibhas Polymers Limited		0.21			
<b>Interest Paid on Fixed Deposits</b>	<b>5.80</b>	<b>0.11</b>	<b>0.00</b>	<b>359.35</b>	<b>748.41</b>
	(3.24)	(0.11)	(0.00)	(334.50)	(664.67)
Dr. B.B. Ramaiah				25.20	
Sri Mullapudi Narendranath				61.26	
Sri Mullapudi Thimmaraja				82.49	
Sri P.S.R.V.K. Ranga Rao				3.29	
Sri Pendyala Achuta Ramayya				27.09	
Sri Pendyala Narendranath Chowdary				159.50	
Royal Printing Works				0.52	
Dr. B.B. Ramaiah (HUF)					1.05
Smt. Ethirajulu Ramalakshmi					0.58
Smt. Gaddipati Anuradha					7.99
Smt. Goli Devi					11.50
Smt. Goli Jayashree					9.09
Smt. Jayaraman Ananthalakshmi					10.69
Smt. Jujavarapu Usha Rani					52.81
Smt. Kosaraju Ramalakshmi					24.81
Smt. Maddipoti Kamala Devi					59.91
Sri Mullapudi Mrutyumjaya Prasad					17.51
Smt. Mullapudi Narayanamma					21.28

## Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Smt. Mullapudi Renuka					46.59
Sri Mullapudi Vikram Prasad					13.31
Smt. Nidadavolu Venkata Ramanamma					41.31
Smt. Nutakki Ananthalakshmi					1.05
Sri P.S.R.V.K. Ranga Rao (HUF)					32.33
Kum. Pendyala Anantha Lakshmi Satyavathi Devi					81.14
Sri Pendyala Achuta Ramayya (HUF)					30.41
Smt. Pendyala Divya Atchamamba					13.57
Smt. Pendyala Jhansi Jayalakshmi					63.67
Kum. Pendyala Meghana Sri Sai Sujatha					5.05
Sri Pendyala Narendranath Chowdary (HUF)					26.83
Chy. Pendyala Prithvi Sri Narendra Rayudu					3.72
Smt. Pendyala Sesha Shailaja					22.66
Smt. Pendyala Shruthi Rajeshwari					24.04
Smt. Pendyala Sujatha					86.43
Smt. Sri Balusu Ranganayaki alias Radhika					33.97
Smt. Yelamarthy Narayanamma					5.10
Hindustan Allied Chemicals Limited	5.80				
Sugarfield Constructions Pvt. Limited		0.11			
<b>Remuneration (including Comm.) paid to</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>848.09</b>	<b>7.35</b>
	(0.00)	(0.00)	(0.00)	(1327.69)	(6.11)
Dr. B.B.Ramaiah				195.62	
Sri Pendyala Narendranath Chowdary				211.90	
Sri Mullapudi Narendranath				126.54	
Sri Mullapudi Thimmaraja				124.48	
Sri Pendyala Achuta Ramayya				116.12	
Sri P.S.R.V.K.Ranga Rao				73.43	
Sri Mullapudi Vikram Prasad					7.35
<b>Donations Paid to</b>	<b>0.00</b>	<b>150.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(0.00)	(205.00)	(0.00)	(0.00)	(0.00)
Sree Mullapudi Venkatarayudu Memorial Medical Trust		125.00			
Sree Mullapudi Venkatarayudu Memorial Educational Trust		5.00			
Sri Pendyala Venkata Krishna Rangaraya Memorial Trust		10.00			
Mullapudi Kamala Devi Cardiovascular Centre		10.00			
<b>Dividend Paid to</b>	<b>0.00</b>	<b>92.59</b>	<b>0.00</b>	<b>224.50</b>	<b>414.98</b>
	(0.00)	(108.02)	(0.00)	(261.92)	(490.58)
Dr. B.B.Ramaiah				15.05	
Sri Pendyala Narendranath Chowdary				25.01	
Sri Mullapudi Narendranath				69.06	
Sri Mullapudi Thimmaraja				48.88	
Sri Pendyala Achuta Ramayya				28.05	
Sri P.S.R.V.K.Ranga Rao				38.45	
Sri Mullapudi Thimmaraja (HUF)					12.27

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Sri Mullapudi Narendranath (HUF)					1.24
Smt. Jayaraman Ananthalakshmi					17.20
Smt. Nidadavolu Venkata Ramanamma					7.41
Smt. Yelamarthy Narayanamma					19.41
Sri B.V.V.S.Ramesh Kumar					3.66
Smt. Pendyala Jhansi Jayalakshmi					42.61
Sri Pendyala Venkata Krishna Rao					12.86
Smt. Sri Balusu Ranganayaki alias Radhika					25.49
Smt. Ethirajulu Ramalakshmi					5.58
Smt. Jujjavarapu Usha Rani					34.40
Smt. Maddipoti Kamala Devi					34.43
Smt. Mullapudi Satyanarayanamma					22.46
Smt. Nutakki Ananthalakshmi					3.32
Kum. Pendyala Ananthalakshmi Satyavathi Devi					31.22
Smt. Mullapudi Narayanamma					15.88
Smt. Gaddipati Anuradha					5.69
Smt. Goli Jayashree					2.02
Sri Mullapudi Vikram Prasad					10.29
Smt. Mullapudi Renuka					29.65
Smt. Goli Devi					5.06
Sri Mullapudi Mrutyumjaya Prasad					7.24
Smt. Pendyala Sesha Shailaja					12.79
Smt. Pendyala Divya Atchamamba					2.23
Smt. Pendyala Shruthi Rajeshwari					0.86
Smt. Pendyala Sujatha					48.85
Smt. Pendyala Usha Lakshmi					0.48
Kum. Pendyala Meghana Sri Sai Sujatha					0.26
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.12
Sree Akkamamba Textiles Limited		18.12			
Sree Mullapudi Venkataramanamma Memorial Hospital		53.42			
Jayalakshmi Chemical Enterprises Pvt. Limited		0.06			
The Mullapudi Investment & Finance company Pvt. Limited		7.71			
Thimmaraja Investment & Finance Company Pvt. Limited		6.81			
Sree Harischandra Prasad Investment & Finance Company Limited		6.47			
<b><u>Dividend Received from</u></b>	<b>293.19</b>	<b>2.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(244.33)	(1.40)	(123.94)	(0.00)	(0.00)
JOCIL Limited	293.19				
Sree Akkamamba Textiles Limited		2.80			
<b><u>Interest Received on IC Loan</u></b>	<b>0.00</b>	<b>3.37</b>	<b>6.41</b>	<b>0.00</b>	<b>0.00</b>
	(8.52)	(47.19)	(0.00)	(0.00)	(0.00)
Sree Akkamamba Textiles Limited		3.37			
The Andhra Petrochemicals Limited			6.41		

## Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
<b>C) Balances as at 31-03-2014:</b>					
<b>a) Share Capital held by the Company in</b>	<b>479.10</b>	<b>6160.34</b>	<b>3660.56</b>	<b>0.00</b>	<b>0.00</b>
	(479.10)	(3658.49)	(3127.47)	(0.00)	(0.00)
JOCIL Limited	<b>441.79</b>				
The Andhra Farm Chemicals Corporation Limited	<b>34.57</b>				
Hindustan Allied Chemicals Limited	<b>2.74</b>				
The Andhra Petrochemicals Limited			<b>3660.56</b>		
Sree Akkamamba Textiles Limited		<b>1.75</b>			
Andhra Pradesh Gas Power Corporation Limited		<b>6158.59</b>			
<b>b) RECEIVABLES</b>					
<b>TRADE DUES :</b>	<b>0.00</b>	<b>160.22</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(11.61)	(90.11)	(0.00)	(0.00)	(0.00)
Jayalakshmi Fertilisers		<b>159.01</b>			
Sree Mullapudi Venkataramamma Memorial Hospital		<b>1.20</b>			
Sree Rangaraya Estates		<b>0.01</b>			
<b>Loans / Inter-Corporate loans</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(0.00)	(100.00)	(0.00)	(0.00)	(0.00)
<b>c) Share Capital of the Company held by</b>	<b>0.00</b>	<b>154.31</b>	<b>0.00</b>	<b>374.37</b>	<b>691.83</b>
	(0.00)	(154.31)	(0.00)	(374.17)	(691.62)
DR. B.B.Ramaiah				<b>25.08</b>	
Sri Pedyala Narendranath Chowdary				<b>41.68</b>	
Sri Mullapudi Narendranath				<b>115.10</b>	
Sri Mullapudi Thimmaraja				<b>81.47</b>	
Sri Pendyala Achuta Ramayya				<b>46.75</b>	
Sri P.S.R.V.K.Ranga Rao				<b>64.29</b>	
Sri Mullapudi Thimmaraja (HUF)					<b>20.45</b>
Sri Mullapudi Narendranath (HUF)					<b>2.06</b>
Smt. Jayaraman Ananthalakshmi					<b>28.66</b>
Smt. Nidadavolu Venkata Ramanamma					<b>12.35</b>
Smt. Yelamarthy Narayanamma					<b>32.36</b>
Sri B.V.V.S.Ramesh Kumar					<b>6.10</b>
Smt. Pendyala Jhansi Jayalakshmi					<b>71.01</b>
Sri Pendyala Venkata Krishna Rao					<b>21.43</b>
Smt. Sri Balusu Ranganayaki					<b>42.48</b>
Smt. Ethirajulu Ramalakshmi					<b>9.30</b>
Smt. Jujjavarapu Usha Rani					<b>57.34</b>
Smt. Maddipoti Kamala Devi					<b>57.38</b>
Smt. Mullapudi Satyanarayanamma					<b>37.43</b>
Smt. Nuthakki Ananthalakshmi					<b>5.54</b>
Kum. Pendyala Ananthalakshmi Satyavathi Devi					<b>52.03</b>
Smt. Mullapudi Narayanamma					<b>26.47</b>

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Smt. Gaddipati Anuradha					9.48
Smt. Goli Jayashree					3.37
Sri Mullapudi Vikram Prasad					17.15
Smt. Mullapudi Renuka					49.41
Smt. Goli Devi					8.43
Sri Mullapudi Mrutyumjaya Prasad					12.07
Smt. Pendyala Sesha Shailaja					21.32
Smt. Pendyala Divya Atchamamba					3.72
Smt. Pendyala Shruthi Rajeshwari					1.43
Smt. Pendyala Sujatha					81.41
Smt. Pendyala Usha Lakshmi					0.80
Kum. Pendyala Meghana Sri Sai Sujatha					0.53
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.32
Jayalakshmi Chemical Enterprises Pvt. Ltd.		0.11			
Sree Akkamamba Textiles Limited		30.19			
Sree Mullapudi Venkataramanamma Memorial Hospital		89.03			
The Mullapudi Investment & Finance Company Pvt. Ltd.		12.85			
Thimmaraja Investment & Finance Company Pvt. Ltd.		11.35			
Sree Harischandra Prasad Invest & Fin. Co. Ltd.		10.78			
<b>d) Loans/ Inter-Corporate loans received from</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>e) PAYABLES :</b>					
<b>Fixed Deposits :</b>	<b>91.75</b>	<b>1.00</b>	<b>0.00</b>	<b>3675.90</b>	<b>7379.60</b>
	(35.00)	(1.00)	(0.00)	(3266.80)	(6685.55)
Dr. B.B. Ramaiah				460.00	
Sri Mullapudi Narendranath				474.50	
Sri Mullapudi Thimmaraja				820.75	
Sri Pendyala Achuta Ramayya				233.60	
Sri Pendyala Narendranath Chowdary				1682.05	
Royal Printing Works				5.00	
Dr. B.B. Ramaiah (HUF)					10.00
Smt. Ethirajulu Ramalakshmi					5.55
Smt. Gaddipati Anuradha					81.10
Smt. Goli Devi					115.10
Smt. Goli Jayashree					90.50
Smt. Jayaraman Ananthalakshmi					77.25
Smt. Jujjavarapu Usha Rani					570.90
Smt. Kosaraju Ramalakshmi					172.65
Smt. Maddipoti Kamala Devi					610.45
Sri Mullapudi Mrutyumjaya Prasad					172.60
Smt. Mullapudi Narayanamma					217.65
Smt. Mullapudi Renuka					454.05
Sri Mullapudi Vikram Prasad					134.95
Smt. Nidadavolu Venkata Ramanamma					417.90
Smt. Nutakki Ananthalakshmi					10.00

## Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Sri P.S.R.V.K. Ranga Rao (HUF)					336.75
Kum. Pendyala Ananthalakshmi Satyavathi Devi					814.40
Sri Pendyala Achuta Ramayya (HUF)					309.15
Smt. Pendyala Divya Atchamamba					137.50
Smt. Pendyala Jhansi Jayalakshmi					651.95
Kum. Pendyala Meghana Sri Sai Sujatha					48.50
Sri Pendyala Narendranath Chowdary (HUF)					273.35
Chy. Pendyala Prithvi Sri Narendra Rayudu					35.95
Smt. Pendyala Sesha Shailaja					231.00
Smt. Pendyala Shruthi Rajeshwari					236.15
Smt. Pendyala Sujatha					886.60
Smt. Sri Balusu Ranganayaki alias Radhika					228.65
Smt. Yelamarthy Narayanamma					49.00
Hindustan Allied Chemicals Limited	91.75				
Sugarfield Constructions Pvt. Limited		1.00			
<b>- Trade dues :</b>	<b>15.61</b>	<b>261.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	(0.00)	(349.89)	(0.00)	(0.00)	(0.00)
The Andhra Farm Chemicals Corporation Limited	15.61				
Sree Mullapudi Venkataramanamma Memorial Hospital		1.44			
Sree Mullapudi Venkatarayudu Memorial Medical Trust		1.44			
Andhra Pradesh Gas Power Corporation Limited		258.47			
<b>- Interest on Fixed Deposits :</b>	<b>2.53</b>	<b>0.02</b>	<b>0.00</b>	<b>83.20</b>	<b>168.07</b>
	(0.82)	(0.02)	(0.00)	(76.02)	(156.55)
Dr. B.B. Ramaiah				9.72	
Sri Mullapudi Narendranath				11.00	
Sri Mullapudi Thimmaraja				19.02	
Sri Pendyala Achuta Ramayya				5.45	
Sri Pendyala Narendranath Chowdary				37.91	
Royal Printing Works				0.10	
Dr. B.B. Ramaiah (HUF)					0.22
Smt. Ethirajulu Ramalakshmi					0.13
Smt. Gaddipati Anuradha					1.83
Smt. Goli Devi					2.48
Smt. Goli Jayashree					2.23
Smt. Jayaraman Ananthalakshmi					1.80
Smt. Jujavarapu Usha Rani					11.97
Smt. Kosaraju Ramalakshmi					4.02
Smt. Maddipoti Kamala Devi					13.96
Sri Mullapudi Mrutyumjaya Prasad					3.80
Smt. Mullapudi Narayanamma					4.97
Smt. Mullapudi Renuka					10.30
Sri Mullapudi Vikram Prasad					3.19
Smt. Nidadavolu Venkata Ramanamma					9.46
Smt. Nutakki Ananthalakshmi					0.23
Sri P.S.R.V.K. Ranga Rao (HUF)					7.78
Kum. Pendyala Ananthalakshmi Satyavathi Devi					18.69

Notes Forming Part of Accounts

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relative of Key Management Personnel
Sri Pendyala Achuta Ramayya (HUF)					7.17
Smt. Pendyala Divya Atchamamba					3.20
Smt. Pendyala Jhansi Jayalakshmi					14.89
Kum. Pendyala Meghana Sri Sai Sujatha					1.13
Sri Pendyala Narendranath Chowdary (HUF)					6.32
Chy. Pendyala Prithvi Sri Narendra Rayudu					0.84
Smt. Pendyala Sesha Shailaja					5.27
Smt. Pendyala Shruthi Rajeshwari					5.47
Smt. Pendyala Sujatha					20.27
Smt. Sri Balusu Ranganayaki alias Radhika					5.30
Smt. Yelamathy Narayanamma					1.15
Hindustan Allied Chemicals Limited	2.53				
Sugarfield Constructions Pvt. Limited		0.02			
<b>- Remuneration (including Commission) :</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>638.04</b>	<b>0.40</b>
	(0.00)	(0.00)	(0.00)	(1118.50)	(0.37)
Dr. B.B.Ramaiah				149.71	
Sri Pendyala Narendranath Chowdary				148.97	
Sri Mullapudi Narendranath				94.10	
Sri Mullapudi Thimmaraja				95.47	
Sri Pendyala Achuta Ramayya				93.28	
Sri P.S.R.V.K.Ranga Rao				56.51	
Sri Mullapudi Vikram Prasad					0.40

42. The Ministry of Corporate Affairs, Government of India, vide General Circular Nos. 2 and 3 dated 8th February, 2011 and 21<sup>st</sup> February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circular. The Company has satisfied the conditions stipulated in the Circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

43. GENERAL:

Figures have been rounded off to the nearest thousand.

Previous year figures have been regrouped wherever necessary.

Figures in Brackets are for previous year.

As per our report of even date for BRAHMAYYA & Company Chartered Accountants Firm Regn. No. 000513S T.V. Ramana Partner Membership No: 200523	For and on behalf of the Board of Directors of The ANDHRA SUGARS LTD, Dr. B.B. Ramaiah A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar	Chairman & Managing Director Director Company Secretary G.M.(Finance) & Asst. Secretary
Camp: TANUKU Date: 26.05.2014	TANUKU 26.05.2014	



**CASH FLOW STATEMENT FOR THE YEAR 2013 - 14**

(Rs. in lakhs)

<b>PARTICULARS</b>	<b>2013-14</b>	<b>2012-13</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	<b>7622.46</b>	11937.08
<b>Adjustments for</b>		
Depreciation/amortisation on continuing operation	<b>4325.93</b>	4119.29
Impairment/other write off on tangible/intangible assets	<b>2.85</b>	0.61
Loss/(profit) on sale of fixed assets	<b>(33.02)</b>	(59.60)
Wealth Tax	<b>5.00</b>	3.76
Net (gain)/Loss on sale of non - current investments	<b>--</b>	15.24
Net gain on sale of current investments	<b>(52.24)</b>	(11.79)
Interest expense	<b>1977.68</b>	1930.48
Interest income	<b>(238.16)</b>	(304.81)
Dividend income	<b>(297.68)</b>	(371.13)
	<b>-----</b>	<b>-----</b>
<b>Operating profit before working capital changes</b>	<b>13312.82</b>	17259.13
	<b>-----</b>	<b>-----</b>
<b><u>Movements in working capital:</u></b>		
Increase/(decrease) in trade payables	<b>442.65</b>	(1285.01)
Increase/(decrease) in long-term provisions	<b>(3.07)</b>	(484.95)
Increase/(decrease) in short-term provisions	<b>35.89</b>	62.73
Increase/(decrease) in other current liabilities	<b>2122.35</b>	315.01
Increase/(decrease) in other long-term liabilities	<b>(333.46)</b>	1670.73
Decrease/(increase) in trade receivables	<b>(5.65)</b>	(41.93)
Decrease/(increase) in inventories	<b>(6940.10)</b>	1234.67
Decrease/(increase) in long-term loans and advances	<b>(75.02)</b>	(506.68)
Decrease/(increase) in short-term loans and advances	<b>154.31</b>	1011.14
Decrease/(increase) in other current assets	<b>(8.11)</b>	(44.96)
Cash generated from/(used in) operations	<b>8702.61</b>	19189.88
Direct taxes paid (net of refunds)	<b>3009.81</b>	4104.92
	<b>-----</b>	<b>-----</b>
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>5692.80</b>	15084.95
	<b>-----</b>	<b>-----</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	<b>(3463.69)</b>	(4380.37)
Proceeds from sale of fixed assets	<b>46.64</b>	111.17
Proceeds of non-current investments	<b>--</b>	185.86
Purchase of non-current investments	<b>(2501.85)</b>	(533.10)
Purchase of current investments	<b>(5450.00)</b>	(1575.00)
Proceeds from sale/maturity of current investments	<b>5502.25</b>	1586.79
Interest received	<b>238.16</b>	304.81
Dividends received from subsidiary company	<b>293.19</b>	244.32
Dividends received from long-term investments	<b>4.49</b>	126.81
	<b>-----</b>	<b>-----</b>
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(5330.81)</b>	(3928.70)
	<b>-----</b>	<b>-----</b>

**The Andhra Sugars Limited**

	2013 - 14	2012 - 13
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	<b>2191.02</b>	27.90
Repayment of long-term borrowings	--	--
Proceeds from short-term borrowings	<b>952.57</b>	(6717.63)
Interest paid	<b>(1977.68)</b>	(1930.48)
Dividends paid on Equity Shares	<b>(1626.42)</b>	(1897.50)
Tax on equity dividend paid	<b>(234.89)</b>	(276.11)
	-----	-----
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(695.40)</b>	(10793.82)
	-----	-----
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<b>(333.41)</b>	362.43
Cash and cash equivalents at the beginning of the year	<b>2589.44</b>	2227.01
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<b>2256.03</b>	2589.44
	-----	-----
<b>Components of cash and cash equivalents</b>		
Cash on hand	<b>15.98</b>	12.50
Cheques/drafts on hand	<b>433.60</b>	849.13
With banks on current account	<b>1425.04</b>	1434.95
Margin Money deposit accounts	<b>274.77</b>	184.25
Unpaid dividend accounts	<b>106.64</b>	108.61
	-----	-----
<b>Total cash and cash equivalents (Note-15)</b>	<b>2256.03</b>	2589.44
	-----	-----

As per our report of even date  
for BRAHMAYYA & Company  
Chartered Accountants  
Firm Regn. No. 000513S  
T.V. Ramana  
Partner  
Membership No: 200523

Camp: TANUKU  
Date: 26.05.2014

For and on behalf of the Board of Directors  
of The ANDHRA SUGARS LTD,

Dr. B.B. Ramaiah  
A. Ranga Rao  
M. Palachandra  
P.V.S. Viswanadha Kumar

TANUKU  
26.05.2014

Chairman & Managing Director  
Director  
Company Secretary  
G.M.(Finance) & Asst. Secretary

**Statement Pursuant to Section 212 of the Companies Act, 1956.**

**JOCIL LIMITED**

1. The Andhra Sugars Limited held 48,86,500 Equity Shares of Rs.10/- each fully paid-up out of the total paid-up shares of 88,81,150 amounting to Rs. 8,88,11,500/-.
2. The subsidiary company earned a profit of Rs.11,32,53,257/- for the year ended 31<sup>st</sup> March, 2014 and no part of this was dealt with in the holding company's Accounts.

**THE ANDHRA FARM CHEMICALS CORPORATION LIMITED**

1. The Andhra Sugars Limited held 3,45,700 Equity Shares of Rs.10/- each fully paid-up out of the total subscribed shares of 4,50,000.
2. The subsidiary company incurred a loss of Rs.54,88,106/- for the year ended 31<sup>st</sup> March, 2014 and no part of this was dealt with in the holding company's Accounts.

**HINDUSTAN ALLIED CHEMICALS LIMITED**

1. The Andhra Sugars Limited held 3,28,760 Equity Shares of Rs.2.50 ps per share called and paid-up out of the total subscribed shares of 4,25,012 of Rs.10/- each.
2. The subsidiary company earned a profit of Rs.4,96,804/- for the year ended 31<sup>st</sup> March, 2014 and no part of this was dealt with in the holding company's Accounts.

Since the accounting year of the subsidiary companies coincide with that of the holding company, furnishing of information relating to material changes of subsidiary companies, does not arise.

TANUKU  
26-05-2014

For and on behalf of the Board of Directors  
of The Andhra Sugars Limited  
Dr. B. B. Ramaiah  
A. Ranga Rao  
M. Palachandra  
P.V.S. Viswanadha Kumar

Chairman & Managing Director  
Director  
Company Secretary  
G.M. (Finance) & Asst. Secretary

## INDEPENDENT AUDITORS' REPORT

To  
The Board of Directors of  
**The Andhra Sugars Limited**  
Tanuku

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of The Andhra Sugars Limited (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedure to obtain audit evidence about the amounts and 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 control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Consolidated Balance Sheet, of the statement of affairs of the Group as at March 31, 2014.
  - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group of the year ended on that date and
  - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Camp: TANUKU  
Date :26<sup>th</sup> May 2014

for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No. 000513S  
(T.V. Ramana)  
Partner  
(ICAI Membership No.200523)

The Andhra Sugars Limited - Group Consolidated Financial Statements

**BALANCE SHEET AS AT 31st MARCH, 2014**

	Notes	As at 31st March, 2014	(Rs.in Lakhs) As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder Funds</b>			
Share Capital	2	2711.01	2711.01
Reserves and Surplus	3	64204.23	60863.92
		66915.24	63574.93
		6702.99	6485.63
<b>Minority Interest</b>			
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	15761.76	13609.49
Deferred Tax Liability (Net)	5	9428.92	9900.55
Other Long-term liabilities	6	5925.93	6265.01
Long-term Provisions	7	827.12	827.82
		31943.73	30602.87
<b>Current Liabilities</b>			
Short-term Borrowings	8	8301.72	9707.45
Trade Payables	9.1	3347.41	1943.11
Other Current Liabilities	9.2	13944.93	11655.48
Short-term Provisions	7	17064.20	15866.06
		42658.26	39172.10
<b>TOTAL</b>		<b>148220.22</b>	<b>139835.53</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10.1	54082.11	57648.43
Intangible Assets	10.2	43.19	49.09
Capital Work-in-Progress		2625.63	859.12
		56750.93	58556.64
Non-Current Investments	11.1	12901.15	11327.75
Long-term Loans and Advances	12	1489.28	1383.74
Other Non-current assets	13.2	17.97	17.97
		14408.40	12729.46
<b>Current Assets</b>			
Current Investments	11.2	5.03	--
Inventories	14	41998.22	34745.49
Trade Receivables	13.1	13572.01	14700.39
Cash and Bank Balances	15	3002.43	3172.70
Short-term Loans and Advances	12	18391.71	15845.68
Other Current Assets	13.2	91.49	85.17
		77060.89	68549.43
<b>TOTAL</b>		<b>148220.22</b>	<b>139835.53</b>

Summary of significant accounting policies 1  
The Accompanying Notes are an Integral Part of the Financial Statements.

As per our report of even date: For Brahmayya & Company Chartered Accountants Firm Regn. No. 000513S T.V. Ramana Partner Membership No. 200523	For and on behalf of the Board of Directors of The ANDHRA SUGARS LD., Dr. B.B. Ramaiah A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar	Chairman & Managing Director Director Company Secretary G.M. (Finance) & Asst. Secretary
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Camp : TANUKU Date : 26.05.2014	TANUKU 26.05.2014
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**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (Rs. in Lakhs)**

<b>PARTICULARS</b>	<b>Notes</b>	<b>Current Reporting Period 2013-14</b>	<b>Previous Reporting Period 2012-13</b>
<b>Income</b>			
Revenue from operations (Gross)	16	<b>120187.01</b>	134180.97
Less: Excise duty		<b>10280.83</b>	10958.55
Revenue from operations (Net)		<b>109906.18</b>	123222.42
Other Income	17	<b>1493.94</b>	1531.13
<b>Total Revenue</b>		<b>111400.12</b>	124753.55
<b>Expenses</b>			
Cost of raw materials consumed	18	<b>57518.93</b>	58909.51
Purchase of traded goods		--	163.26
(Increase)/Decrease in Inventories of finished goods, Work-in-progress and traded goods	19	<b>(7590.80)</b>	778.18
Employee Benefits expense	20	<b>9687.17</b>	9495.57
Depreciation and amortisation expense	21	<b>5361.16</b>	5131.24
Finance Costs	22	<b>2145.04</b>	2315.45
Other expenses	23	<b>35096.33</b>	32004.08
<b>Total Expenses</b>		<b>102217.83</b>	108797.29
<b>Profit/(Loss) Before Exceptional items &amp; Tax</b>		<b>9182.29</b>	15956.26
<b>Less: Exceptional items (Electricity FSA Charges)</b>		--	1774.65
<b>Profit/(Loss) Before Tax</b>		<b>9182.29</b>	14181.61
Profit from Associate		<b>(878.63)</b>	95.81
Add : Income Tax Refund		<b>86.97</b>	7.62
Add : Income Tax Excess Provision Credited Back		<b>94.78</b>	--
Less : Income Tax of earlier years		--	73.45
Less : Tax expenses			
Current Tax		<b>3297.25</b>	4651.75
Deferred Tax		<b>(471.63)</b>	551.16
<b>Total Tax Expense</b>		<b>2825.62</b>	5202.91
<b>Profit/(Loss) for the year</b>		<b>5659.79</b>	9008.68
<b>Less :</b>			
<b>Minority Interest</b>		<b>497.71</b>	649.15
<b>Profit/(Loss) After Minority Interest</b>		<b>5162.08</b>	8359.53
Basic Earning Per Share		<b>19.04</b>	30.84
Diluted Earning Per Share		<b>19.04</b>	30.84

Summary of Significant Accounting policies 1

The Accompanying Notes are an Integral Part of the Financial Statements.

As per our report of even date: For Brahmayya & Company Chartered Accountants Firm Regn. No. 000513S T.V. Ramana Partner Membership No. 200523	For and on behalf of the Board of Directors of The ANDHRA SUGARS LD., Dr. B.B. Ramaiah A. Ranga Rao M. Palachandra P.V.S. Viswanadha Kumar	Chairman & Managing Director Director Company Secretary G.M. (Finance) & Asst. Secretary
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Camp : TANUKU Date : 26.05.2014	TANUKU 26.05.2014
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**NOTES FORMING PART OF THE GROUP CONSOLIDATED ACCOUNTS**

**1 Basis of preparation:**

The Andhra Sugars Limited (ASL), the parent company, has prepared the group consolidated financial statements by consolidating its accounts and those of its subsidiaries viz., JOCIL Limited, The Andhra Farm Chemical Corporation Limited and Hindustan Allied Chemicals Limited in accordance with Accounting Standard-21 "Consolidated Financial Statements" prescribed by Companies (Accounting Standards ) Rules, 2006.

Financial Statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e., year ended 31<sup>st</sup> March, 2014.

**1.1 Principles of consolidation:**

The consolidated financial statements of the group are prepared according to the accounting policies as stated in the "Statements on Accounting Policies" in the respective group companies and published separately. The accounting policies of the group companies are uniform except for the method of charging depreciation in respect of some of the items of like assets. It is not practicable to use uniform accounting policies in preparing the consolidated financial statements, and in the opinion of the management, the effect of such differences in the accounting policies is not material.

**1.2 Minority Interest:**

Subsidiary companies	% Voting power held as at 31 <sup>st</sup> March, 2014
a. JOCIL	44.97
b. The Andhra Farm Chemical Corporation Limited	23.17
c. Hindustan Allied Chemicals Limited	22.64

**1.3 Associates :**

The Andhra Sugars Limited (ASL) and its other group companies hold 34.23% of the share capital of The Andhra Petrochemicals Limited (APL), a company incorporated in India, as on 31.3.2014. Therefore APL is treated as an associate, and investment in it is recognised in the accounts using the 'equity method' as per which the share of profit of the associate company has been added to the cost of investment, in accordance with the Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006. The audited accounts of the The Andhra Petrochemicals Limited is considered for the purpose of computing the share of profit from associate for the year ended 31<sup>st</sup> March, 2014.

The accounting policies of APL are broadly comparable to those of ASL. The accounts of associate company are drawn upto the same reporting date as the parent entity. Particulars of investment in Associate Company by Group companies:

	Rs. in lakhs
Gross cost of the investment in Associate company - (including goodwill of Rs. 88.43 lacs )	3783.49
Less: Dividend received	556.17
	<hr/>
Add: Share of post-acquisition reserves and surplus	3227.32 3494.70
	<hr/>
Carrying value of investment in associate company	<b>6722.02</b>
	<hr/>

**1.4 Major components of deferred tax assets and liabilities arising on account of timing differences are:**

		(Rs. in lakhs)	
Particulars	Assets	Liabilities	
1. Depreciation		10410.54	
2. Amounts disallowed u/s 43 B of Income Tax Act, 1961	903.50		
3. Provision for Doubtful debts	17.85		
4. Loss as per Income Tax to be carried forward	60.27		
	-----	-----	
	981.62	10410.54	
	-----	-----	
Net deferred tax liability :		<b>9428.92</b>	

<b>1.5 CONTINGENT LIABILITIES NOT PROVIDED FOR</b>	<b>As at 31-3-2014</b>	<b>As at 31-3-2013</b>
a) Estimated amount of contracts remaining to be executed in capital account.	<b>2901.38</b>	2821.20
b) Uncalled liability on partly paid shares held as investments	<b>24.66</b>	24.66
c) Liability on account of membership in Alkali Manufacturers Association of India, a company limited by guarantee	<b>0.01</b>	0.01
d) Other commitments in respect of Sale Contracts	<b>3730.08</b>	5313.81
e) Guarantees issued for obligations arising out of events occurred at the Balance Sheet date	<b>2032.95</b>	1894.28
f) On letter of credit opened with banker for purchase of Material	<b>1580.39</b>	1333.13
g) Claims not acknowledged by the Company relating to the following area		
i) Income Tax	<b>160.14</b>	410.65
ii) Excise	<b>4298.33</b>	4244.01
iii) Service Tax	<b>32.16</b>	29.78
iv) Sales Tax	<b>146.03</b>	150.50
v) State Levies	<b>449.56</b>	424.18
vi) Suppliers and Service contract	<b>221.59</b>	351.04
vii) Labour related	<b>5.00</b>	5.00
viii) Others	<b>3.72</b>	3.60

**1.6** Disclosure as required by Accounting Standard-18 (AS-18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are given in Annexure - I.

**1.7** Foreign Exchange Earnings on Exports during the year calculated on FOB Basis **Rs. 355.37 Lakhs** (Previous Year Rs. 225.57 Lakhs).

**1.8** Segment information:  
Particulars disclosed pursuant in Accounting Standard -17 "Segment Reporting" are given in Annexure-II.

**1.9** General:  
Figures have been rounded off to the nearest thousand.  
Previous year figures have been regrouped wherever necessary.



Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

Share Capital

Note-2

	As at 31st March, 2014	As at 31st March, 2013
<b>Authorised Shares :</b>		
28750000 (31st March 2013: 28750000) Equity Shares of Rs.10 /- each	2875.00	2875.00
30000(31st March 2013: 30000) 9.5% First Cummulative Redeemable Preference Shares of Rs. 100/- each.	30.00	30.00
95000 (March 2013: 95000) 9.5% Second Cummulative Redeemable Preference Shares of Rs. 100/- each.	95.00	95.00
	<b>3000.00</b>	3000.00
	<b>2711.31</b>	2711.31
<b>Issued Shares :</b>		
27113091 (31st March 2013: 27113091) Equity Shares of Rs.10 /- each	2711.31	2711.31
	<b>2711.31</b>	2711.31
<b>Subscribed and fully paid-up shares :</b>		
27107078 (31st March 2013: 27107078) Equity Shares of Rs.10 /- each fully paid-up	2710.71	2710.71
Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/- paid-up	0.30	0.30
<b>Total issued, subscribed and fully paid-up capital</b>	<b>2711.01</b>	2711.01
<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
<b>Equity Shares (Nos.)</b>		
At the beginning of the period	27107078	27107078
Issued during the period - Bonus issue	--	--
Add: Forfeited Shares	--	--
Outstanding at the end of the period	<b>27107078</b>	27107078

Note-3

RESERVES AND SURPLUS

As at 31st  
March, 2014

As at 31st  
March, 2013

Capital Reserves

Capitalisation of Bonus Shares	52.35	52.35
Capital Redemption Reserve	3.84	3.84
Forfeited Denbentures	0.30	0.30
Capital Subsidy	66.82	66.82
Securities Premium Reserve	1560.70	1560.70
<b>General Reserve</b>		
Balance as per the last Financial Statements	44731.47	39456.32
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	765.15	5275.15
<b>Closing Balance</b>	<b>45496.62</b>	44731.47

The Andhra Sugars Limited - Group Consolidated Financial Statements

Notes Forming Part of Consolidated Accounts

	(Rs.in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	14448.44	13568.45
Profit/(Loss) for the year	6040.71	8263.72
Profit/(Loss) from Associate	(878.63)	95.81
<b>Less : Appropriations</b>		
Proposed Final Equity Dividend	1599.72	1919.66
Tax on Distributed Profits	222.04	284.73
Transfer to General Reserve	765.15	5275.15
Dividend from Associate	--	--
Total Appropriations	2,586.91	7,479.54
<b>Net Surplus in Statement of Profit and Loss</b>	17,023.61	14448.44
<b>Total Reserves and Surplus taken to Balance Sheet</b>	64204.23	60863.92

Note-4

LONG-TERM BORROWINGS:	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
	4.1 Long - Term		4.2 Current Maturity	
<b>Term Loans</b>				
Indian Rupee Loans from banks (Secured)	2617.96	--	405.00	260.20
	2617.96	--	405.00	260.20
<b>Other Loans and Advances:</b>				
Deferred sales tax loan (unsecured)	3957.85	4195.34	--	346.80
<b>Deposits (unsecured)</b>				
Deposits from Directors / Related Parties	7044.65	7216.05	3560.85	2733.80
Deposits from Others	2141.30	2198.10	1244.20	1216.20
	13143.80	13609.49	4805.05	4296.80
<b>Total Amount</b>	15761.76	13609.49	5210.05	4557.00
<b>The above amount includes</b>				
Secured borrowings	2617.96		405.00	260.20
Unsecured borrowings	13143.80	13609.49	4805.05	4296.80
Amount disclosed under the head "Other current liabilities"(Note No. 9.2)	--	--	5210.05	4557.00
<b>Net Amount</b>	15761.76	13609.49	--	--

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
<b>Deferred Tax Liability ( Net )</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets : Difference Between Tax Depreciation and Depreciation / Amortisation charged for the Financial reporting	<b>10410.54</b>	10841.54
<b>Gross Deferred tax Liability</b>	<b>10410.54</b>	10841.54
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purpose on payment basis	<b>903.50</b>	880.86
Provision for doubtful Debts and advances	<b>17.85</b>	19.56
Loss as per Income Tax to be carried forward	<b>60.27</b>	40.57
<b>Gross Deferred Tax Asset</b>	<b>981.62</b>	940.99
<b>Net Deferred Tax Liability /(Asset)</b>	<b>9428.92</b>	9900.55

**Note-6**

<b>OTHER LONG-TERM LIABILITIES:</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
Trade payables	--	--
<b>Others</b>		
Outstanding Liabilities for others	<b>5777.76</b>	6123.92
Staff Security Deposits	<b>16.08</b>	14.75
Trade Deposits	<b>132.09</b>	126.34
<b>Total</b>	<b>5925.93</b>	6265.01

**Note-7**

<b>PROVISIONS</b>	<b>Long-Term</b>		<b>Short-Term</b>	
	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
<b>Provision for employee benefits:</b>				
Provision for gratuity	<b>563.73</b>	574.50	<b>255.89</b>	218.12
Provision for leave benefits	<b>263.39</b>	253.32	<b>336.80</b>	340.30
	<b>827.12</b>	827.82	<b>592.69</b>	558.42
<b>Other Provisions :</b>				
Provision for Wealth tax	--	--	<b>15.00</b>	14.00
Provision for Income tax	--	--	<b>14634.75</b>	13089.25
Proposed equity dividend	--	--	<b>1599.72</b>	1919.66
Provision for tax on Distributed Profits	--	--	<b>222.04</b>	284.73
	--	--	<b>16471.51</b>	15307.64
<b>Total</b>	<b>827.12</b>	827.82	<b>17064.20</b>	15,866.06

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

	<b>As at 31st March, 2014</b>	<b>Note-8</b> As at 31st March, 2013
<b>SHORT-TERM BORROWINGS</b>		
Cash credit from Banks ( Secured)	<b>7103.03</b>	7018.22
Foreign Currency loan from banks - Buyers Credit ( Secured )	--	505.56
Short-term Loan from HDFC-unsecured	--	1000.00
Deposits (unsecured)		
: from Directors/Related Parties	<b>568.35</b>	107.07
: from Others	<b>630.34</b>	1076.60
	-----	-----
<b>Total</b>	<b>8301.72</b>	9707.45
	-----	-----
<b>The above amount includes</b>		
Secured borrowings	<b>7103.03</b>	7523.78
Unsecured borrowings	<b>1198.69</b>	2183.67
		<b>Note-9</b>
<b>Other Current Liabilities:</b>	<b>As at 31st March, 2014</b>	As at 31st March, 2013
<b>9.1 Trade payables</b>	<b>3347.41</b>	1943.11
	-----	-----
<b>Total</b>	<b>3347.41</b>	1943.11
	-----	-----
<b>9.2 Other Liabilities:</b>		
Current maturities of long-term borrowings	<b>5210.05</b>	4557.00
Project Related Payables	<b>457.34</b>	--
Interest accrued but not due on borrowings	<b>358.54</b>	369.14
Interest accrued and due on borrowings	--	12.56
Advance from customers	<b>485.24</b>	250.09
Unpaid dividend	<b>124.82</b>	126.72
Unpaid matured deposits and interest accrued thereon	<b>48.13</b>	50.17
Accrued Salaries and Benefits	<b>771.15</b>	739.08
Directors Remuneration Payable	<b>644.75</b>	1123.93
Staff Security Deposits	<b>7.36</b>	5.17
Statutory Dues	<b>2064.84</b>	2064.85
Others	<b>3772.71</b>	2356.77
	-----	-----
<b>Total</b>	<b>13944.93</b>	11655.48
	-----	-----
<b>Total</b>	<b>17292.34</b>	13598.59
	-----	-----

## FIXED ASSETS

(Rs. in lakhs)  
Note - 10

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 31-3-13	Additions during the year	Deductions during the year	Cost as at 31-3-14	Dep. upto 31-3-13	Dep. for 13-14	Dep. Dedn. for 13-14	Dep. upto 31-3-14	WDV AS AT 31-3-14	WDV AS AT 31-3-13
<b>10.1. Tangible Assets:</b>										
1) Land	3308.39	256.17	--	3564.56	--	--	--	--	3564.56	3308.39
2) Buildings	6930.21	85.62	--	7015.83	2778.97	202.85	--	2981.82	4034.01	4151.24
3) Plant and Equipment Vehicles and Materials	82444.81	949.00	45.09	83348.72	40720.21	4266.28	63.85	44922.64	38426.08	41724.60
4) Handling Equipment	3183.77	447.66	169.30	3462.13	1721.57	373.81	155.07	1940.31	1521.82	1462.20
5) Furniture & Fittings	383.30	7.01	3.14	387.17	314.15	15.82	3.08	326.89	60.28	110.24
6) Office Equipment	652.04	65.33	46.92	670.45	318.42	62.87	45.21	336.08	334.37	292.53
7) Tramways and Railway Sidings	734.33	--	--	734.33	355.90	33.58	--	389.48	344.85	378.43
8) Renewable Energy Plant: Wind Farm	8748.95	--	--	8748.95	2528.15	424.66	--	2952.81	5796.14	6220.80
<b>TOTAL</b>	106385.80	1810.79	264.45	107932.14	48737.37	5379.87	267.21	53850.03	54082.11	57648.43
<b>10.2. Intangible Assets:</b>	58.75	--	--	58.75	9.660	5.90	--	15.56	43.19	49.09
<b>GRAND TOTAL</b>	106444.55	1810.79	264.45	107990.89	48747.03	5385.77	267.21	53865.59	54125.30	57697.52
Previous year (Rupees in lakhs)	100726.15	6049.25	330.84	106444.56	43888.44	5154.40	295.80	48747.04	57697.52	56837.72

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Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
<b>Non-current Investments</b>		
<b>A) Trade Investment — Quoted</b>		
<b>1) Investment in Associate</b>		
2,90,94,594 ( 31 <sup>st</sup> March 2013 : 2,90,94,594 ) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemical Ltd.	<b>6722.02</b>	7600.65
<b>2) Investment in Other Companies</b>		
a) 1,40,000 ( 31 <sup>st</sup> March 2013: 1,40,000) fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd.	<b>1.75</b>	1.75
b) 38,704 ( 31 <sup>st</sup> March 2013: 38,704) fully paid Equity Shares of Rs.10/- each in Andhra Bank	<b>7.48</b>	7.48
<b>B) Trade Investment — Unquoted</b>		
1,10,04,080 (31 <sup>st</sup> March 2013 : 96,64,080 ) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.	<b>6158.59</b>	3656.74
<b>C) Other Investments</b>		
1) 1391 (31 <sup>st</sup> March 2013: 1391) Equity Shares of Rs.10/- each , fully paid-up in Indian Bank (Quoted)	<b>1.27</b>	1.27
2) 200 Equity Shares of Rs. 10 each fully paid-up in The Industrial Finance Corporation of India	<b>0.04</b>	0.04
3) 11,360 Equity Shares of Rs.10 each fully paid-up in Industrial Development Bank of India	<b>9.23</b>	9.23
<b>D) Investment in Govt. Securities :-</b>		
a) National Plan Saving Certificates (lodged with Govt. Department towards Security)	<b>0.76</b>	0.58
b) 500 Bonds of Rural Electrification Corporation Ltd.	--	50.00
<b>Subtotal</b>	<b>12901.14</b>	11327.75
<b>Current Investments</b>		
<b>II. Current Investments (Quoted &amp; Non-Trade)</b>		
Investments in HDFC Liquid Fund-Dividend-Daily Reinvest (49368 Units@ Rs.10.192/-each)	<b>5.03</b>	--
<b>Subtotal</b>	<b>5.03</b>	--
<b>Total</b>	<b>12906.17</b>	11327.75
Aggregate amount of unquoted Investments	<b>6161.14</b>	3694.63
Aggregate amount of quoted Investments	<b>6745.03</b>	7633.12
<b>Total</b>	<b>12906.17</b>	11327.75
Aggregate Market Value of quoted Investments	<b>7197.31</b>	7833.86
Aggregate amount of Diminution in Value of Investment	--	--

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-12

Loans and advances	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Capital Advances</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	45.52	81.40	--	--
	-----	-----	-----	-----
<b>(A)</b>	<b>45.52</b>	<b>81.40</b>	<b>--</b>	<b>--</b>
	-----	-----	-----	-----
<b>Security Deposit</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	1173.43	1103.28	85.89	84.38
Doubtful	--	--	--	--
	-----	-----	-----	-----
<b>(B)</b>	<b>1173.43</b>	<b>1103.28</b>	<b>85.89</b>	<b>84.38</b>
	-----	-----	-----	-----
<b>Loans and advances to related parties</b>				
Unsecured, considered good	--	--	--	100.00
	-----	-----	-----	-----
<b>(C)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>100.00</b>
	-----	-----	-----	-----
<b>Advances recoverable in cash or kind</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	--	--	1391.93	1286.51
Doubtful	--	--	20.62	20.62
	-----	-----	-----	-----
Provision for doubtful advances	--	--	(20.62)	(20.62)
	-----	-----	-----	-----
<b>(D)</b>	<b>--</b>	<b>--</b>	<b>1391.93</b>	<b>1286.51</b>
	-----	-----	-----	-----
<b>Other Loans and Advances</b>				
Excise Duty Paid in Advance (Including Cenvat Credit Pending Utilisation )	--	--	986.48	584.21
Advances to Trade Payables	--	--	251.72	277.51
MAT Credit	--	--	7.11	7.97
Advance Income Tax	74.69	87.68	15309.94	13168.49
Income Tax Deducted at Source	--	--	131.17	109.97
Income Tax Refund Receivable	--	--	0.96	0.96
Prepaid expenses	8.52	12.94	177.32	178.01
Balances with Statutory/Government Authorities	187.12	98.44	6.78	4.00
Others	--	--	42.41	43.67
	-----	-----	-----	-----
<b>(E)</b>	<b>270.33</b>	<b>199.06</b>	<b>16913.89</b>	<b>14374.79</b>
	-----	-----	-----	-----
<b>Total [A+B+C+D+E]</b>	<b>1489.28</b>	<b>1383.74</b>	<b>18391.71</b>	<b>15845.68</b>
	-----	-----	-----	-----

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-13.1

Trade receivables	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured, considered good	--	--	8.44	4.26
Unsecured, considered good				
Less than 6 Months from the due date for payment	--	--	8994.93	8877.89
More than 6 Months from the due date for payment	--	--	137.41	440.84
Doubtful			31.91	36.91
			<b>9172.69</b>	9359.90
Provision for doubtful receivables			<b>(31.91)</b>	(36.91)
			<b>9140.78</b>	9322.99
<b>(A)</b>	--	--		
<b>Other receivables</b>				
Secured, considered good	--	--	--	--
Unsecured, considered good	--	--	4431.23	5377.40
Doubtful	--	--	--	--
Provision for doubtful receivables				
			<b>4431.23</b>	5377.40
<b>(B)</b>	--	--		
<b>Total [A+B]</b>	--	--	<b>13572.01</b>	14700.39

Note-13.2

Other Assets	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances				
<b>[A]</b>	--	--	--	--
Unamortised expenditure				
Unamortised Preliminary Expenses	0.94	0.94	--	--
<b>[B]</b>	<b>0.94</b>	0.94	--	--
<b>Others</b>				
Interest accrued on fixed deposits	--	--	90.92	84.60
IT Refund Receivable	17.03	17.03	--	--
Others	--	--	0.57	0.57
<b>[C]</b>	<b>17.03</b>	17.03	<b>91.49</b>	85.17
<b>Total [A+B+C]</b>	<b>17.97</b>	17.97	<b>91.49</b>	85.17



Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-14

Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2014	As at 31st March, 2013
Raw materials and components at Cost	3816.88	4478.53
Work-in-progresss		
: At Cost	2020.64	1413.97
: At Estimated Realisable Value	109.79	101.32
Finished goods		
: At Cost	6201.40	11891.06
: At Estimated Realisable Value	24384.11	11718.80
Traded goods		
Stores and spares at Cost	5377.68	5061.57
Loose tools	53.69	50.68
Others	34.03	29.56
<b>Total</b>	<b>41998.22</b>	<b>34745.49</b>

Note-15

Cash and bank balances

	Non - Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Cash and Cash Equivalents :</b>				
Balances with Banks:				
On current accounts	--	--	1722.53	1749.88
Cheques/drafts on hand	--	--	433.60	849.13
Cash on hand	--	--	17.73	14.06
<b>[A]</b>	--	--	<b>2173.86</b>	<b>2613.07</b>
<b>Other Bank Balances :</b>				
Deposits with original maturity for more than 12 months	--	--	--	--
Deposits with original maturity for more than 3 months but less than 12 months	--	--	130.81	104.70
On unpaid dividend account	--	--	124.99	126.88
Earmarked Balances with Banks (15% Liquidity on Fixed Deposits held u/s 58A of the Companies Act, 1956)	--	--	132.96	49.80
Margin money deposit	--	--	439.81	278.26
<b>[B]</b>	--	--	<b>828.57</b>	<b>559.64</b>
<b>Total</b>	--	--	<b>3002.43</b>	<b>3172.71</b>

MINORITY INTEREST

	As at 31st March, 2014	As at 31st March, 2013
Share Capital	412.32	412.32
Add: Share in		
General Reserve	5016.24	4791.39
Capital Reserve	19.00	19.00
Securities Premium	352.45	352.45
Provision for dividend (including tax)	233.63	280.35
Statement of Profit and Loss	669.35	630.12
<b>Total</b>	<b>6702.99</b>	<b>6485.63</b>

The Andhra Sugars Limited - Group Consolidated Financial Statements

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Note-16

<b>Revenue from operations</b>	<b>This Year</b>	Previous Year
<b>Sale of products:</b>		
Finished goods	<b>117878.19</b>	129710.51
Traded goods	--	247.46
Sale of services	<b>59.74</b>	405.95
<b>Other operating revenue</b>		
Freight & Sale Expenses Recovered	<b>879.70</b>	1843.14
Subsidy Received on Superphosphate Sales	<b>927.69</b>	1073.69
Export Premium on Sugars	--	70.25
Status Holder Incentive Scrips	<b>13.75</b>	--
Minimum offtake Commitment income from ISRO	<b>134.58</b>	249.93
Processing & Job Work Income	<b>293.36</b>	580.04
	-----	-----
<b>Revenue from operations (gross)</b>	<b>120187.01</b>	134180.97
Less: Excise Duty	<b>10280.83</b>	10958.55
	-----	-----
Revenue from operations (net)	<b>109906.18</b>	123222.42
	-----	-----

Note-17

<b>Other Income</b>	<b>This Year</b>	Previous Year
<b>Interest income on</b>		
Bank deposits	<b>246.36</b>	249.47
Others	<b>121.55</b>	127.68
<b>Dividend income on</b>		
Long-term investments	<b>299.03</b>	377.09
Rent received	<b>101.19</b>	92.73
Net gain on sale of Assets	<b>33.74</b>	62.06
Net gain on Sale of Current Investment	<b>52.25</b>	12.79
Other non-operating income #	<b>639.82</b>	609.31
	-----	-----
<b>Total</b>	<b>1493.94</b>	1531.13
	-----	-----

# Other non-operating income includes :

	<b>This Year</b>	Previous Year
Credit balances Written Back	<b>0.05</b>	5.66
Excess Provision In Earlier Years Credited Back	<b>374.83</b>	28.86
Claims Received	<b>13.04</b>	14.22
Difference in Exchange (Net)	--	0.61
Weighment Charges Received	<b>3.77</b>	4.46
Income not relating to this year	--	0.34
Income from Agriculture (Net)	<b>5.28</b>	--
Misc. Scrap Sales	<b>226.54</b>	529.95
Excise Duty Recovery-Scrap Sales	<b>5.64</b>	3.46
Misc. Receipts	<b>10.67</b>	21.75
	-----	-----
<b>Total</b>	<b>639.82</b>	609.31
	-----	-----

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

**Note-18**

<b>Cost of raw material consumed</b>	<b>This Year</b>	Previous Year
Inventory at the beginning of the year	<b>4478.53</b>	4969.42
Add: Purchases	<b>57089.27</b>	59284.05
Less: Sale of raw material	<b>231.99</b>	865.43
Less: Inventory at the end of the year	<b>3816.88</b>	4478.53
<b>Total</b>	<b>57518.93</b>	58909.51

**Note-19**

<b>(Increase)/decrease in inventories</b>	<b>This Year</b>	Previous Year
<b>Inventories at the end of the year</b>		
Traded goods	--	--
Work-in-progress	<b>(615.14)</b>	115.16
Finished goods	<b>(6975.66)</b>	663.02
	<b>(7590.80)</b>	778.18

<b>Inventories at the beginning of the year</b>		
Traded goods	--	--
Work-in-progress	<b>115.16</b>	139.80
Finished goods	<b>663.02</b>	(5724.58)
	<b>778.18</b>	(5584.78)

<b>Details of purchase of traded goods</b>	<b>This Year</b>	Previous Year
Acetic Anhydride	--	163.26
<b>Total</b>	--	163.26

**Note-20**

<b>Employee benefit expense</b>	<b>This Year</b>	Previous Year
Salaries, wages and bonus	<b>8088.29</b>	8058.26
Contribution to provident and other fund	<b>899.85</b>	937.86
Gratuity expense	<b>313.81</b>	157.62
Staff welfare expenses	<b>385.22</b>	341.83
<b>Total</b>	<b>9687.17</b>	9495.57

**Note-21**

<b>Depreciation and amortisation expense</b>	<b>This Year</b>	Previous Year
Depreciation of tangible assets	<b>5355.26</b>	5125.34
Amortisation of intangible assets	<b>5.90</b>	5.90
<b>Total</b>	<b>5361.16</b>	5131.24

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

	<b>Note-22</b>	
	<b>This Year</b>	Previous Year
<b>Finance Costs</b>		
Interest	<b>1937.09</b>	2207.79
Difference in Exchange treated as Finance Cost	<b>142.95</b>	45.18
Other Borrowing Costs	<b>65.00</b>	62.48
	-----	-----
<b>Total</b>	<b>2145.04</b>	2315.45
	-----	-----

	<b>Note-23</b>	
	<b>This Year</b>	Previous Year
<b>Other expenses</b>		
Consumption of stores and spares	<b>4138.08</b>	4184.16
Increase/(decrease) of Excise Duty on inventory	<b>187.18</b>	(182.62)
Power and fuel	<b>17600.62</b>	16056.60
Sugarcane development Expenses	<b>142.50</b>	130.04
Rent	<b>48.25</b>	30.69
Rates and taxes	<b>623.27</b>	780.11
Insurance	<b>194.16</b>	184.46
Repairs and maintenance		
Plant and machinery	<b>4356.67</b>	3634.72
Buildings	<b>349.99</b>	418.80
Others	<b>863.69</b>	630.21
Advertising and sales promotion	<b>25.53</b>	112.97
Handling Transport & Expenses	<b>4371.18</b>	3392.94
Sales commission	<b>341.48</b>	705.06
Bank Charges	<b>77.79</b>	77.18
Travelling Expenses	<b>0.86</b>	2.65
Legal and professional fees	<b>0.19</b>	0.25
Directors' sitting fees	<b>14.50</b>	16.56
Payment to auditors (Refer details below)	<b>35.75</b>	27.78
Exchange differences (net)	<b>214.10</b>	250.14
Donations	<b>225.65</b>	280.35
Assets written off	<b>4.42</b>	21.07
Stores & Spare written off	<b>6.00</b>	60.26
Provision for doubtful debts and advances	--	30.69
Bad Debts written off	--	0.50
Excess off take charges to ISRO	<b>32.44</b>	39.63
Net loss on Sale of long-term Investments	--	15.24
Loss from Agriculture(Net)	--	4.68
Miscellaneous expenses	<b>1242.03</b>	1098.96
	-----	-----
<b>Total</b>	<b>35096.33</b>	32004.08
	-----	-----

	<b>This Year</b>	Previous Year
<b>Payment to Auditors</b>		
<b>As Auditor</b>	<b>15.07</b>	13.85
For Taxation Matters	<b>5.84</b>	3.21
For Limited Review & Other Certification	<b>7.50</b>	5.32
For Reimbursement of Expenses	<b>1.21</b>	1.31
<b>As Cost Auditors</b>	<b>5.20</b>	2.90
Fee for Certification	<b>0.61</b>	0.75
For Reimbursement of Expenses	<b>0.32</b>	0.44
	-----	-----
<b>Total</b>	<b>35.75</b>	27.78
	-----	-----

## ANNEXURE - I

Particulars disclosed pursuant to "Accounting Standard -18 Related Party Disclosures"

### (A) LIST OF RELATED PARTIES:

#### 1) Key Management Personnel :(Viz., Whole-time Directors)

##### The Andhra Sugars Limited

Dr. B.B.Ramaiah  
Sri Pendyala Narendranath Chowdary  
Sri Mullapudi Narendranath  
Sri Mullapudi Thimmaraja  
Sri Pendyala Achuta Ramayya  
Sri P.S.R.V.K.Ranga Rao

##### JOCIL Limited

Sri Jagarlamudi Murali Mohan

##### The Andhra Farm Chemicals Corporation Limited

Sri Pendyala Venkata Krishna Rao

#### 2) Relatives of Key Management Personnel

Sri B.V.V.S.Ramesh Kumar	Son of Sri B.B.Ramaiah
Smt. Pendyala Jhansi Jayalakshmi	Wife of Sri P.Narendranath Chowdary
Kum. Pendyala Ananthalakshmi Satyavathi Devi	Daughter of Sri P.Narendranath Chowdary
Smt. Sri Balusi Ranganayaki alias Radhika	Sister of Sri P.Narendranath Chowdary
Smt. Ethirajulu Ramalakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jujjavarapu Usha Rani	Sister of Sri P.Narendranath Chowdary
Smt. Maddipoti Kamala Devi	Sister of Sri P.Narendranath Chowdary
Smt. Mullapudi Satyanarayanamma	Sister of Sri P.Narendranath Chowdary
Smt. Nutakki Ananthalakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jayaraman Ananthalakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Ramalakshmi	Sister of Sri M.Narendranath
Smt. Nidadavolu Venkata Ramanamma	Sister of Sri M.Narendranath
Smt. Yelamarthy Narayanamma	Sister of Sri M.Narendranath
Smt. Mullapudi Narayanamma	Wife of Sri M.Narendranath
Smt. Gaddipati Anuradha	Daughter of Sri M.Narendranath
Smt. Goli Jayashree	Daughter of Sri M.Narendranath
Sri Mullapudi Vikram Prasad	Son of Sri M.Narendranath
Smt. Mullapudi Renuka	Wife of Sri M.Thimmaraja
Smt. Goli Devi	Daughter of Sri M.Thimmaraja
Sri Mullapudi Mrutyumjaya Prasad	Son of Sri M.Thimmaraja
Smt. Pendyala Archana	Daughter of Sri P.V.Krishna Rao
Sri Pendyala Venkata Rayudu	Son of Sri P.V.Krishna Rao

**The Andhra Sugars Limited - Group Consolidated Financial Statements**

Sri Pendyala Ravi	Son of Sri P.V.Krishna Rao
Smt. Pendyala Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Smt. Pendyala Divya Atchamamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Shruthi Rajeshwari	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sujatha	Mother of Sri P.S.R.V.K.Ranga Rao
Smt. Pendyala Usha Lakshmi	Wife of Sri P.S.R.V.K.Ranga Rao
Kum. Pendyala Meghana Sri Sai Sujatha	Daughter of Sri P.S.R.V.K.Ranga Rao
Chy. Pendyala Prithvi Sri Narendra Rayudu	Son of Sri P.S.R.V.K.Ranga Rao
Smt. Jagarlamudi Gangabhavani	Mother of Sri J.Murali Mohan
Smt. Vemana Indira	Sister of Sri J.Murali Mohan
Smt. Jagarlamudi Sunitha Mohan	Wife of Sri J.Murali Mohan
Kum. Jagarlamudi Namrata	Daughter of J.Murali Mohan

**3) Entities in which Key Management Personnel and/or their relatives have significant influence:**

Andhra Pradesh Gas Power Corporation Limited  
Jaya Industries  
Jayalakshmi Chemical Enterprises Pvt. Limited  
Jayalakshmi Estates  
Jayalakshmi Estates Limited  
Jayalakshmi Fertilisers  
Jayalakshmi Plastics and Chemicals  
Ramaiah & Co.  
Royal Printing Works  
Mullapudi Venkatarayudu Eye Centre  
Mullapudi Kamala Devi Cardiovascular Centre  
Sree Akkamamba Textiles Limited  
Sree Mullapudi Thimma Raju Memorial Library & Cultural Centre  
Sree Mullapudi Venkataramanamma Memorial Hospital  
Sree Rangaraya Estates  
Sree Sarvaraya Sugars Limited  
Sree Satyanarayana Spinning Mills Limited  
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust  
Sree Harischandra Prasad Investment & Finance Company Limited  
Sree Mullapudi Venkatarayudu Memorial Educational Trust  
Sree Mullapudi Venkataraya Memorial Polytechnic  
Sree Mullapudi Venkatarayudu Memorial Medical Trust  
Sugarfield Constructions Pvt. Limited  
The Mullapudi Investment & Finance company Pvt. Limited  
Thimmaraja Investment & Finance Company Pvt. Limited  
Vibhas Polymers Pvt. Limited

**4) Associate:**

The Andhra Petrochemicals Limited

**(B) TRANSACTIONS WITH THE RELATED PARTIES:**

(Corresponding figures related to 31<sup>st</sup> March, 2013)

(Rs. in Lakhs)

PARTICULARS	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods from	<b>5879.69</b> (5037.56)	<b>0.00</b> (0.00)	<b>23.15</b> (21.80)	<b>12.95</b> (10.75)
Inter Corporate Loans given to	<b>100.00</b> (0.00)	<b>1000.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Inter Corporate Loans re-payment from	<b>100.00</b> (400.00)	<b>1000.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Fixed Deposits Received from	<b>1.00</b> (0.00)	<b>0.00</b> (0.00)	<b>4522.14</b> (1072.47)	<b>7851.37</b> (1521.13)
Fixed Deposits re-paid on maturity	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>728.90</b> (501.50)	<b>276.50</b> (307.35)
Services Rendered by	<b>13.91</b> (6.60)	<b>0.00</b> (0.00)	<b>23.31</b> (19.55)	<b>2.28</b> (2.28)
Sale of Goods to	<b>1186.06</b> (1264.00)	<b>29.27</b> (60.73)	<b>3.26</b> (4.37)	<b>0.00</b> (0.00)
Sale of Fixed Assets to	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Services Rendered to	<b>0.21</b> (0.00)	<b>0.91</b> (1.40)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Interest Paid on Fixed Deposits	<b>0.11</b> (0.11)	<b>0.00</b> (0.00)	<b>371.47</b> (342.06)	<b>767.58</b> (681.52)
Interest Received on IC Loan	<b>3.37</b> (47.19)	<b>6.41</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Remuneration (including Commission) paid to	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>947.69</b> (1450.68)	<b>7.35</b> (6.11)
Donations Paid to	<b>150.00</b> (205.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
Dividend Paid to	<b>92.59</b> (108.02)	<b>0.00</b> (0.00)	<b>224.65</b> (262.80)	<b>417.15</b> (491.51)
Dividend Received from	<b>2.80</b> (1.40)	<b>0.00</b> (123.94)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
<b>Balances as at 31-03-2014</b>				
<b>a) Share Capital held by the Company in</b>	<b>6160.34</b> (3658.49)	<b>3660.56</b> (3660.56)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
<b>b) Receivables-</b>				
- Trade dues from	<b>160.22</b> (90.11)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
- Loans/Inter-corporate loans	<b>0.00</b> (100.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
<b>c) Share Capital of the Company held by</b>	<b>154.31</b> (154.31)	<b>0.00</b> (0.00)	<b>375.03</b> (376.58)	<b>697.78</b> (695.83)
<b>d) Payables :-</b>				
- Trade dues	<b>261.35</b> (349.89)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)
- Fixed Deposits	<b>1.00</b> (1.00)	<b>0.00</b> (0.00)	<b>3675.90</b> (3373.87)	<b>7379.60</b> (6851.78)
- Interest on Fixed Deposits	<b>0.02</b> (0.02)	<b>0.00</b> (0.00)	<b>83.20</b> (76.02)	<b>168.07</b> (156.55)
- Remuneration (including Commission)	<b>0.00</b> (0.00)	<b>0.00</b> (0.00)	<b>665.18</b> (1158.04)	<b>0.40</b> (0.37)

The Andhra Sugars Limited - Group Consolidated Financial Statements

ANNEXURE - II

STATEMENT SHOWING SEGMENT WISE ANALYSIS AS ON 31.03.2014

(RS.IN LAKHS)

Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS		CONSOLIDATED		
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
<b>REVENUE:</b>																	
External sales	11043.85	25942.20	43178.34	36882.52	1877.60	2119.14	28878.05	29589.23	19898.19	23196.28	5030.15	5493.05	--	--	109906.18	123222.42	123222.42
Inter-segment sales	3054.41	2698.09	2064.87	3223.47	4184.21	4370.50	14066.28	16453.92	--	--	52.44	46.06	23422.21	26792.04	--	--	--
Total revenue	14098.26	28640.29	45243.21	40105.99	6061.81	6489.64	42944.33	46043.15	19898.19	23196.28	5082.59	5539.11	23422.21	26792.04	109906.18	123222.42	123222.42
<b>RESULT:</b>																	
Segment result before Interest, Extra-ordinary items	(2133.55)	3427.52	10611.65	9108.57	788.82	944.67	4592.13	5422.93	707.63	1096.57	1047.62	1078.40	--	--	15614.30	21078.66	21078.66
Unallocated corporate expenses less Income															4654.89	4958.75	4958.75
Operating Profit															10959.41	16119.91	16119.91
Interest expenses															2145.04	2315.45	2315.45
Interest income															367.92	377.15	377.15
Profit before tax															9182.29	14181.61	14181.61
Provision for current and deferred tax															2643.87	5268.74	5268.74
<b>Net profit after tax</b>															5659.79	9008.68	9008.68
<b>OTHER INFORMATION:</b>																	
Segment Assets	37803.70	31605.80	34825.56	36208.31	14158.90	14977.83	16585.04	15222.65	4497.38	6367.59	4316.07	4203.98			112186.65	108586.16	108586.16
Unallocated Corporate Assets											36033.57	31249.37			36033.57	31249.37	31249.37
<b>Total Assets</b>															148220.22	139835.53	139835.53
Segment Liabilities	9115.79	5720.89	9315.37	9875.43	1565.20	680.90	2375.18	1358.01	248.99	82.78	275.09	790.24			22895.62	18508.25	18508.25
Unallocated Corporate Liabilities											26515.70	27756.68			26515.70	27756.68	27756.68
<b>Total Liabilities</b>															49411.32	46264.93	46264.93
Capital expenditure	927.16	1142.00	1074.55	3616.59	1671.80	150.31	127.70	1017.16	17.37	129.08	279.50	478.95			4098.08	6534.09	6534.09
Depreciation	929.45	877.07	2192.34	2037.93	995.48	1020.22	729.54	674.71	204.59	227.00	311.27	296.09	1.51	1.78	5361.16	5131.24	5131.24
Non-cash Expenditure other than depreciation															--	--	--

**Notes :**

- The Company and its subsidiaries have disclosed Business Segment as the Primary Segments. Segments have been identified taking into account the nature of Products, the different risks and returns, the organisation structure and internal reporting system.
- The Operations of the Parent Company and its subsidiaries predominantly relate to manufacture of Sugar, Caustic Soda, Soaps, Industrial Chemicals comprising mainly Fatty Acids, Industrial Alcohol, Acetic Acid, Sulphuric Acid and its related products and Liquid Propellants.
- The business segments that are disclosed under "Others" comprise Fertilisers, Bulk Drugs, Edible oils and Transportation receipts etc.,
- All the Group companies operate predominantly in the Indian markets and have no production facilities outside India. Hence there are no separately reportable Geographical segments.
- Inter-segment transfers are priced at market rates.



The Andhra Sugars Limited-Group Consolidated Financial Statements

**GROUP CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-14**

	2013-14	(Rs.in Lakhs) 2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	9182.29	14181.61
<b>ADJUSTMENTS FOR:</b>		
Depreciation	5361.16	5131.24
Assets written off	4.42	5.05
Interest (Net)	1767.08	1830.66
Profit/Loss on sale of assets(Net)	(33.74)	(62.06)
Profit/Loss on sale of investments	(52.24)	2.45
Dividends received	(299.03)	(377.09)
Wealth Tax	5.00	3.76
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>15934.94</b>	<b>20715.62</b>
Trade and other receivables	479.33	(895.78)
Inventories	(7252.76)	645.06
Trade payables	1628.54	(1485.71)
Other current liabilities & provisions	1825.39	2005.47
Short-term loans & other current assets	80.95	460.13
<b>CASH GENERATED FROM OPERATIONS</b>	<b>12696.39</b>	<b>21444.79</b>
Direct taxes paid	3837.94	5091.29
	-----	-----
<b>NET CASH FROM OPERATING ACTIVITIES.... A</b>	<b>8858.45</b>	<b>16353.50</b>
	-----	-----
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (Including Capital Work-in-progress, unallocated capital expenditure)	(3539.22)	(5232.72)
Sale of Fixed assets	48.97	114.73
Sale of investments	--	196.86
Purchase of Non-current investments	(2452.01)	(533.10)
Purchase of Current Investments	(5455.03)	(1575.00)
Interest received	367.92	377.13
Sale of current investments	5502.25	1586.79
Deposits/Withdrawal of Inter-corporate advances	(56.75)	(7.00)
Dividends received	5.84	132.77
	-----	-----
<b>NET CASH USED IN INVESTING ACTIVITIES....B</b>	<b>(5578.03)</b>	<b>(4939.54)</b>
	-----	-----
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings/loans	785.29	(6128.61)
Dividends paid	(2100.99)	(2373.35)
Interest paid	(2135.00)	(2207.78)
	-----	-----
<b>NET CASH FROM FINANCING ACTIVITIES.....C</b>	<b>(3450.70)</b>	<b>(10709.74)</b>
	-----	-----
<b>INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(170.28)</b>	<b>704.22</b>
Cash and Cash equivalents as on 01.4.2013	3172.71	2468.49
Cash and Cash equivalents as on 31.3.2014	3002.43	3172.71
	-----	-----
	<b>(170.28)</b>	<b>704.22</b>
	-----	-----

As per our report of even date:  
For Brahmayya & Company  
Chartered Accountants  
Firm Regn. No. 000513S  
T.V. Ramana  
Partner  
Membership No. 200523

For and on behalf of the Board of Directors  
of The ANDHRA SUGARS LTD.,  
Dr. B.B. Ramaiah  
A. Ranga Rao  
M. Palachandra  
P.V.S. Viswanadha Kumar

Chairman & Managing Director  
Director  
Company Secretary  
G.M. (Finance) & Asst. Secretary

Camp : TANUKU  
Date : 26.05.2014

TANUKU  
26.05.2014

STATEMENT REGARDING SUBSIDIARY COMPANIES AS ON 31-03-2014

(Rs. in lakhs)

Name of the Subsidiary Company	JOCIL Ltd.	The Andhra Farm Chemicals Corporation Limited	Hindustan Allied Chemicals Limited
1. Capital	888.16	45.00	10.63
2. Reserves	13310.55	217.57	92.18
3. Total Assets	24181.04	362.04	105.18
4. Total Liabilities	10122.93	99.47	2.37
5. Investments	140.59	0.03	--
6. Total Income	37702.12	160.78	7.81
7. Profit before Taxation	1630.46	(79.42)	7.27
8. Provision for Tax	497.93	24.54	2.30
9. Profit after Taxation	1132.53	(54.88)	4.97
10. Proposed Dividend	444.06	--	--



# THE ANDHRA SUGARS LIMITED

Regd. Office : Venkatarayapuram, TANUKU - 534 215

CIN : L15420 AP1947 PLC 000326

Website : www.theandhrasugars.com, Email : info.tnk@theandhrasugars.com

Phone : 08819-224911, Fax : 08819-224168

**PROXY FORM**

I/We being the member(s) of ..... shares of the above named Company hereby appoint :

- (1) Name : ..... Address : .....  
E-mail ID : ..... Signature ..... or failing him
- (2) Name : ..... Address : .....  
E-mail ID : ..... Signature ..... or failing him
- (3) Name : ..... Address : .....  
E-mail ID : ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 10<sup>th</sup> September, 2014 at 3.00 p.m. at Regd. Office : Venkatarayapuram, Tanuku and at any adjournment thereof in respect of such Resolutions as are indicated below :

Resolution No.	RESOLUTIONS	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014		
2.	Approval of dividend for 2013-14		
3.	Re-appointment of Sri M. Thimmaraja, as Director who retires by rotation		
4.	Re-appointment of Sri P.S.R.V.K. Ranga Rao, as Director who retires by rotation		
5.	Appointment of M/s. Brahmayya & Co. Chartered Accountants as auditors and fixing their remuneration;		
	<b>Special Business</b>		
6.	Appointment of Sri A. Ranga Rao as Independent Director		
7.	Appointment of Dr. P. Kotaiah as Independent Director		
8.	Appointment of Sri V.S. Raju as Independent Director		
9.	Appointment of Dr. A.V. Rama Rao as Independent Director		
10.	Appointment of Sri P.A. Chowdary as Independent Director		
11.	Acceptance of Fixed Deposits		
12.	Approval for Borrowing Power		
13.	Creation of Charge / Mortgage		
14.	Ratification of remuneration of Cost Auditors		

Signed this ..... day of ..... 2014

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp not  
less than  
Re 0.15

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 67<sup>th</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.







