



THE ANDHRA SUGARS LIMITED

Regd. Office: Venkatarayapuram, Tanuku – 534215

CIN: L15420AP1947PLC000326

Ph : 08819-224911, Fax : 08819-224168

E-mail: info.tnk@theandhrasugars.com Website : www.theandhrasugars.com

BOARD OF DIRECTORS :

Dr. B. B. Ramaiah

Chairman & Managing Director

Sri P. Narendranath Chowdary, B.Sc.

Managing Director

Sri Mullapudi Narendranath, B.Sc.(Ag.)

Joint Managing Director

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

Joint Managing Director

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

Joint Managing Director

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

Executive Director

Sri A. Ranga Rao

Independent Director

Dr. P. Kotaiah

Independent Director

Sri V. S. Raju

Independent Director

Dr. A.V. Rama Rao

Independent Director

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

Independent Director

Dr. D. Manjulata

Independent Director

COMPANY SECRETARY :

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

GENERAL MANAGER (FINANCE) & DY. SECRETARY :

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

BANKERS :

Andhra Bank

State Bank of India

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

SECRETARIAL AUDITORS :

M/s. Nekkanti S.R.V.V. Satyanarayana & Co.

Flat No. 403, Malik Chambers, Hyderguda,

Hyderabad - 500 029

REGISTERED OFFICE :

Venkatarayapuram, Tanuku - 534 215

West Godavari District, Andhra Pradesh

REGISTRAR & SHARE TRANSFER AGENTS:

XL Softech Systems Ltd.,

3, Sagar Society, Road No. 2

Banjara Hills, Hyderabad - 500 034

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DIRECTORS REPORT

To
The Shareholders

Your Directors have pleasure in presenting this SEVENTIETH ANNUAL REPORT along with the audited Statement of Accounts for the year ending 31st March, 2017.

Financial Results:

(Rupees in lakhs)

	This Year	Last Year
Sales		93098.30
Other Income	97199.98	2222.22
	2167.05	-----
	99367.03	95320.52
	-----	-----
Profit for the year	20385.84	12149.50
Depreciation	4420.43	4789.47
	-----	-----
Profit after depreciation	15965.41	7360.03
Add: Excess provision of Income-tax credited back	-	-
Add: Income Tax Refund received	4.54	90.41
Less: Short/(excess) Provision of Income Tax	-	(187.97)
Less: Exceptional Item (Electricity FSA charges relating to earlier years)	-	-
	-----	-----
Provision for Current Tax	3337.99	2750.00
Provision for Deferred Tax	2134.39	248.66
MAT Credit	(1553.48)	-
	-----	-----
Profit after Tax	12051.05	4639.75
Add: Balance brought forward from last year	16297.63	13302.47
	-----	-----
Less: Other Comprehensive Income	(888.30)	1786.38
	-----	-----
Profit available for appropriation	27460.38	19728.60
	-----	-----
APPROPRIATIONS		
Interim Equity Dividend		1355.35
Final Equity Dividend		813.21
Tax on Distributed Profits		262.41
Transfer to General Reserve	2000.00	1000.00
	-----	-----
Balance carried forward to next year	25460.38	16297.63
	-----	-----

PERFORMANCE:

Your Directors are glad to report that for the year 2016-17 your Company made a Profit of Rs. 159.65 Crores (before tax) against a Profit of Rs. 73.60 Crores made last year, which reflect impressive performance. The Net Profit (After Tax) was Rs. 120.51 Crores against Rs. 46.40 Crores made last year. This year has been the most significant one in the annuals of your Company's history in view of the profit achieved being highest since inception.

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DIVIDENDS:

Your Directors recommend a Dividend of Rs. 10 /- per Equity Share i.e., 100% (Face Value Rs.10/-) for the year 2016-17. The outflow towards Dividend payment (including tax on distributable profits) would be Rs.32.33 Crores.

CAPITAL & RESERVES:

Authorised and Paid Up Capital:

As on 31.3.2017, the Authorised Capital of the Company is Rs.30.00 Crores and the Paid-up Capital is Rs. 27.11 Crores.

Reserves:

With the transfer of Rs. 20.00 Crores during the year under report, the total Reserves as on 31.3.2017 stands at Rs.409.48 Crores against Rs. 389.48 Crores on 31.3.2016.

REVIEW OF OPERATIONS:

SUGAR UNITS:

The Sugar Units II and III crushed in aggregate 4,13,655 M.T. of cane during the 2016-17 season against 565781 M.T. crushed by Two Units last year. The crushing operations and cane price paid to cane suppliers for the 2016-17 Season are:

	SUGAR UNIT – II TADUVAI		SUGAR UNIT – III BHIMADOLE	
	Fin. Year 2016-17	Fin. Year 2015-16	Fin. Year 2016-17	Fin. Year 2015-16
(A) Crushing details:				
Total cane crushed (MT)	262759	362979	150896	246600
Total No. of days crushed	89	110	50	85
Total Sugar produced(MT)	27190	38440.69	14438	23683.34
Average Recovery	10.50%	10.59%	9.70%	9.60%
(B) Cane price:				
Fair & Remunerative price (per M.T.)	2563.78	2542.00	2324.20	2300.00
Cane price paid (per M.T)*	2896.18	2602.00	2894.56	2360.00

- inclusive of Purchase Tax Incentive of Rs.60/- per M.T.
- Operations of Sugar Unit-I was suspended during the Season 2016-17.
- Recovery achieved at Sugar Unit - II has been the highest in the State.
- 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 1,23,92,800 Units of Power.

PERFORMANCE OF CHEMICAL DIVISION:

During the year under report the Caustic Soda Division at Saggonda achieved turnover of Rs.429.95 Crores. The Profit after depreciation achieved this year was higher at Rs.122.53 Crores against Rs. 77.56 Crores last year.

Aspirin Division also made a profit of Rs.9.09 Crores as against 4.04 Crores.

WIND POWER UNITS:

The Power generated at Ramagiri Wind Mills during this year is Units 20,25,074.

The Power generation at the Tamil Nadu Wind Mills during the year under report is 3,33,85,481 Units. This Power is being fed into the Tamil Nadu State Electricity Board grid.

PROJECTS:

During the Year under report, your Company commissioned a 33 MW Coal Based Captive Generation Plant at Saggonda. Power generated will be utilized by the Chemical Plants located at Saggonda.

Your Company is operating a 400 TPD Caustic Soda Plant at Saggonda. Keeping in view the increasing requirement of the end user industry, a 100 TPD Caustic Soda Plant is being set up at Saggonda. The proposed 100 TPD Plant is based on the latest 6th Generation Membrane Technology. This process has the lower production cost, simple operations, Energy Efficient & Environmental friendly.

Salt and Power constitute two main inputs for production of Caustic Soda. The Salt requirement will be sourced from the existing vendors. Power needed will be available from the 33 MW Captive Power Plant that has been set up on site at Saggonda. The total cost of this Plant is estimated to be Rs.80.00 Crores which will be met by Internal Accruals. With this expansion, the total capacity of Caustic Soda Plant would be 500 TPD.

The existing 300 TPD Hydrochloric Acid Plant is being expanded to 800 TPD in order to utilize Chlorine that will become available from the Caustic Soda Plant.

A 100 TPD Sodium Hypochlorite Plant is being set up at Jawaharlal Nehru Pharmacy at Parawada near Visakhapatnam. The two major Raw Materials, Sodium Hydroxide and Chlorine gas required for the production of this product will be sourced from our Plants at Saggonda. Bought out components have been procured. Major Civil works, Fabrication of process equipment and main storage tanks, main Process Plant & MCC Office Building, Chlorine Cylinders shed, DG Chilling Unit and Stores and maintenance shed, Fabrication and Erection of Pipe racks have been completed. Erection of Process Equipment is in process. This Project is expected to be commissioned during the current Financial Year.

To meet the International clients requirement, capacity of Aspirin Plant has been expanded to 2000 TPA.

DEMATERIALIZATION OF EQUITY SHARES:

As of 31st March, 2017 Equity Shares representing 45.18% of the Share Capital have been dematerialised.

AUDITORS:

The existing Statutory Auditors M/s Brahmayya & Co., Chartered Accountants, Vijayawada, will retire upon conclusion of the ensuing 70th Annual General Meeting, in compliance with the provisions relating to mandatory rotation of Auditors under the Act.

Based on the recommendations of the Audit Committee and subject to the approval of the Members at the ensuing 70th Annual General Meeting, the Board of Directors have approved the appointment of M/s. K.S.Rao & Co., Chartered Accountants, Hyderabad (Firm Registration No.003109S) as the Statutory Auditor of the Company to hold office from the conclusion of the ensuing 70th Annual General Meeting until the conclusion of the 75th Annual General Meeting.

COST AUDITORS:

For the 2016-17 M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad were the Cost Auditors of the Company for the products, which are subject to Cost Audit. For the year ended 2017-18, your Board of Directors have approved the appointment of Ms. Narasimha Murthy & Co., Hyderabad as Cost Auditors and recommend to Shareholders to ratify the remuneration of Rs.5,00,000/- as fixed by the Board.

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.

AUDIT COMMITTEE:

Audit Committee comprises of 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.

DIRECTORS AND KMP:

Appointment of Sri Mullapudi Narendranath, Sri Mullapudi Thimmaraja and Sri P. Achuta Ramayya as Joint Managing Directors for a further period of 5 years with effect from 1.1.2018 is being placed for the approval of Shareholders at the ensuing 70th Annual General Meeting.

Directors Sri Mullapudi Narendranath and Sri P. Achuta Ramayya retire by rotation at the ensuing 70th Annual General Meeting and being eligible offer themselves for re-appointment.

Statements of declaration as per Section 149(6) of the Companies Act, 2013 have been given by the Independent Directors.

Dr. B.B. Ramaiah, Chairman & Managing Director, Sri M. Palachandra, Company Secretary and Sri P.V.S. Viswanadha Kumar, General Manager (Finance) & Dy. Secretary has been designated as Key Managerial Personnel.

Compliance under Companies Act, 2013

Pursuant to Sec.134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, your company has complied with the compliance requirement the details of which are enumerated hereunder.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 134(1)(c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under :

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- b) that the directors selected such accounting policies and applied them consistently and made judgments and estimates that they 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 and of the profit of the Company for that period;
- c) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have got prepared the annual accounts on a going concern basis;
- e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) that the Directors got devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD MEETINGS:

The Board of Directors met 6 times during the financial year 2016-17 on 6-4-2016, 30-5-2016, 27-7-2016, 10-8-2016, 7-11-2016 and 4-2-2017.

INDEPENDENT DIRECTORS MEETING:

A Meeting of Independent Directors was held on 22nd May, 2017. The Independent Directors have evaluated the performance of the Non-independent Directors, the Board as a whole and Chairman of the Board. The Board was briefed by Lead Independent Director on the deliberations made at the Independent Directors Meeting.

FAMILIARISATION PROGRAMME:

Your Company through a Policy, has in place a familiarisation programme to all the Directors with a view to update them on the Company's Policies and Procedures. Independent Directors make a periodical visit to plants to keep themselves abreast of the plant operations. Respective Plant Heads interact with the Independent Directors and explain to them about the various processes and operations.

FORMAL ANNUAL EVALUATION OF THE BOARD

The Board evaluated its own performance and that of its Committees and Directors in terms of :

Measured and appropriate contribution by the Directors to the discussions on the Agenda Items,

- Each Director exercising the responsibilities in a bonafide manner.
- Understanding of the Company's business, strategic plans and other key issues.
- Special Skills and expertise of each Director contributing to the Board's overall effectiveness.
- Respecting the confidentiality of the Company's business information and Board's deliberations.
- Satisfactory attendance and active participation of each Director at the meetings of the Board and Committee.

The Board members were of the opinion that the Board as a whole and the Directors have performed effectively as per the terms of the above parameters. The respective Committee performed as per its terms of reference.

VIGIL MECHANISM:

As a part of Vigil Mechanism, a Whistle Blower Policy has been established and approved by the Board. This Policy envisages reporting of wrong doing or un-ethical activities observed by Employees at any level directly to the Chairman of the Audit Committee or to the Chairman & Managing Director. The matter reported is investigated and if the wrong doer is found guilty, disciplinary action will be initiated depending upon the materiality of the un-ethical doings. During the year under report there has been no instances which required reporting.

NOMINATION AND REMUNERATION COMMITTEE :

As required by the Provisions of the Companies Act, 2013 and listing Agreement, a Nomination and Remuneration Committee comprising of Independent Directors Sri V.S. Raju (Chairman), Sri P.A. Chowdary and Sri A. Ranga Rao was constituted by the Board.

This Nomination and Remuneration Committee has formulated Nomination and Remuneration Policy which has been approved by the Board. This Nomination & Remuneration Policy has laid down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry. Appointment of Managing Director / Whole-time Director / KMP and Functional Heads are placed before Nomination and Remuneration Committee for its consideration and recommendation to the Board.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As required by the Provisions of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been constituted by the Board of the Company with Dr. B.B. Ramaih, Chairman & Managing Director, Sri P. Narendranath Chowdary, Managing Director, Sri Mullapudi Thimmaraja, Joint Managing Director and Sri V.S. Raju, Independent Director as members of the Committee. This Committee has formulated a CSR Policy which has been approved by the Board. This Policy envisages CSR Activities to be taken up, amount of expenditure to be incurred and monitoring of CSR Activities from time to time.

This Policy aims to achieve the CSR objectives by undertaking one or more of the activities to be in alignment with Schedule VII of the Companies Act, 2013 either on a own or through any Trust / Society or any other recognized Agency.

As per the provisions of Section 135(5) of the Companies Act, 2013, company should spend in every Financial Year at least 2% of the average net profits of the company made during the three immediately preceding Financial Years. In pursuance of its Corporate Social Responsibility Policy, the company gives preference to the local area and areas around it, where it operates or any other permissible location for spending the amount earmarked for Corporate Social Responsibility activities.

Accordingly, for achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, your Company would allocate at least 2% of its average Net Profits calculated as per Section 198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year.

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From the Annual CSR Budget allocation, a provision is made towards the expenditure to be incurred on identified areas, for undertaking CSR activities on a year to year basis.

Allocation of the Annual Budget for CSR activities in any given year would be as per the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time. Any unspent / unutilised CSR allocation of a particular year, will be carried forward to the next year, i.e., the CSR budget will be non-lapsable in nature.

As required by Rule 8 of the Companies (CSR Policy) Rules, 2013, a Report on CSR Activities and the amount of expenditure incurred are annexured to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

The Company has duly complied with the Provisions of Section 186 of the Companies Act, 2013 with regard to Loans, Guarantees or Investments, the details of which, as applicable are provided in the Notes to Balance Sheet.

RISK MANAGEMENT POLICY:

The company has framed a Risk Management Policy which envisages the following

- Identification of areas of Risk
- Assessing the impact of Risks
- Steps taken to mitigating the Risk

The Major Segments of operations of the Company are Sugar and Chlor Alkali.

The major aspects of concern for the Sugar Sector are:

- 1) Lack of Harvesting Labour
- 2) Power to operate the irrigation requirements
- 3) Proper Cane Varieties that give good Cane and Sugar yield and that are suitable for mechanical harvesting.

To get around the 1st aspect, the Company has embarked upon locating the right Cane Harvester suited to our Grower Farm sizes. The 2nd aspect is being taken care of by setting up a Solar Powered Pumping System at our R & D Farm so that our Growers could ultimately be provided the right guidance in this aspect. The 3rd aspect is being met by the Cane Breeding Programme undertaken by the Company.

Chlor Alkali segment is power intensive where Power constitute a major input cost. Restricted power supply and increased power cost have become a cause of concern. To mitigate this impact, a Solar Power Plant has been commissioned at Kovvur. At Saggonda a 33 MW Coal Based Power Plant has been commissioned. This would improve the power availability to the Chemical Plants at Saggonda.

INDUSTRIAL RELATIONS:

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE POLICY:

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Act.) An Internal Compliance Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this Policy. As on the date of this report, there were no complaints received by the ICC.

SAFETY, HEALTH AND ENVIRONMENT:

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

EXTRACT OF ANNUAL RETURN :

As required by Section 92 (3) of the Companies Act, 2013 and relevant rules, an Extract of Annual Return in MGT9 is annexured as a part of this Annual Report.

RELATED PARTY TRANSACTIONS:

There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

SECRETARIAL AUDIT REPORT :

As required by Provisions of Companies Act, 2013, Secretarial Audit Report has provided by Nekkanti SRVV Satyanarayana & Co., Hyderabad, Company Secretaries in practice is annexured to this Report.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of the Companies Act, 2013, read with the relevant Rules made thereunder, regarding employees is annexed as Annexure "A" forming part of this Report.

RATIO OF REMUNERATION OF EACH DIRECTOR :

Details of ratio of Remuneration of each Director to the median employees remuneration is enclosed.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

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

Information pursuant to Section 134 of the Companies Act, 2013 read with relevant rules is given in Annexure "B" forming part of this Report.

FIXED DEPOSITS:

As required by the Companies Act, 2013 the details of Fixed Deposits as on 31.3.2017 is given hereunder.

		2016-17	2015-16
(a)	Accepted during the year.	21,69,20,000	39,55,65,000
(b)	Remained unpaid or unclaimed as at the end of the year.	48,60,000	52,95,000
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved.	NO	NO
i)	at the beginning of the year	NOT APPLICABLE	NOT APPLICABLE
ii)	maximum during the year	-do-	-do-
iii)	at the end of the year	-do-	-do-
(d)	Details of deposits which are not in compliance with the requirements of Chapter V of the Act.	NIL	NIL

CONSOLIDATED ACCOUNTS:

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

The Accounts of the Subsidiary Companies for the year 2016-17 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.

SUBSIDIARIES AND ASSOCIATE:

JOCIL LIMITED:

For the Financial Year ending 31.3.2017 your subsidiary Company, JOCIL Ltd., posted a profit of Rs.1018.61 lakhs (before taxation) against Rs. 2729.72 lakhs (before taxation) last year. Board of Directors of this Company has recommended a Dividend of Rs.3/- per Share to Shareholders for the Financial Year 2016-17.

THE ANDHRA FARM CHEMICALS CORPORATION LIMITED:

The Company incurred a loss (before Tax) of Rs.71.46 lakhs against the loss of Rs. 59.90 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.

THE ANDHRA PETROCHEMICALS LIMITED:

The Company achieved sales of Rs.37043.04 lakhs against Rs. 37580.83 lakhs and incurred a loss (before Tax) of Rs. 1090.47 lakhs against the loss of Rs. 2630.43 lakhs last year.

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. The Board has also laid down a policy on Internal Financial Control as required by the provisions of the Companies Act, 2013. The same has been posted on Company's Website.

LISTING ON STOCK EXCHANGE:

Company's Equity Shares are listed on National Stock Exchange and Annual Listing Fee for the Financial Year 2016-17 has been paid.

AWARD

Your Directors are happy to inform that The Institute of Cost Accountants of India (ICMA) has conferred " FIRST PRIZE " to " The Andhra Sugars Limited for Excellence in Cost Management " for the Year 2016 under Private - Manufacturing - Medium Category.

Your Company has received Certificate of Appreciation from Commissioner of Central Excise and Service Tax in recognition of the best practices and contribution in revenue to the ex-chequer during the year 2016.

ACKNOWLEDGEMENT:

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

TANUKU
28.07.2017

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

ANNEXURE - I
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 stake-holders in the Company. ASL affirm 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 stake-holders including Shareholders, Employees, Customers, Suppliers, Lenders, Government and other parties having association with ASL.

2. BOARD OF DIRECTORS

a) As on 31.3.2017, 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 Pendyala Narendranath Chowdary Managing Director
	Sri Mullapudi Narendranath Joint Managing Director
	Sri Mullapudi Thimmaraja Joint Managing Director
	Sri Pendyala Achuta Ramayya Joint Managing Director
	Sri P.S.R.V.K. Ranga Rao Executive Director
Non-Executive and Independent Directors	Sri A. Ranga Rao
	Dr. A.V. Rama Rao
	Dr. P. Kotaiah
	Sri V.S. Raju
	Sri P.A. Chowdary, I.R.S.(Retd.) Dr. D. Manjulata

Inter se Relationship among Directors

Dr. B.B. Ramaiah - Sister's Husband of Sri P. Narendranath Chowdary & Sri P. Achuta Ramayya

Sri Pendyala Narendranath Chowdary - Daughter's Husband of Dr. B. B. Ramaiah

Sri Pendyala Narendranath Chowdary & Sri Pendyala Achuta Ramayya - Brothers

Sri Mullapudi Narendranath & Sri Mullapudi Thimmaraja - Brothers

b) Non-executive Director remuneration : Please refer Point No. 6

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

Name of the Director	Attendance Particulars		Directorship, Committee Membership and Chairmanship in other Companies			
	Board Meetings	Last AGM	Other Directorship	Chairman	*Committee Membership	*Committee Chairmanship
Dr. B. B. Ramaiah	6	Y	3	--	--	--
Sri P.Narendranath Chowdary	6	Y	3	4	--	2
Sri M. Narendranath	3	N	2	--	--	--
Sri M. Thimmaraja	6	N	2	--	3	--
Sri P. Achuta Ramayya	4	N	--	--	--	--
Sri P.S.R.V.K. Ranga Rao	6	Y	1	--	--	--
Sri A. Ranga Rao	5	N	--	--	--	--
Dr. P. Kotaiah	6	N	8	--	3	5
Sri V.S. Raju	4	Y	3	--	2	1
Dr. A.V. Rama Rao	6	N	--	--	--	--
Sri P.A. Chowdary, I.R.S.(Retd.)	5	Y	--	--	--	--
Dr. D. Manjulata	5	N	2	--	--	--

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

- * Represents Membership / Chairmanship of Audit Committee & Stakeholders Relationship Committee of other Public Limited Companies.

d) NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2016-17 AND THE DATES ON WHICH HELD

Sl.No.	Date of Board Meeting
1	06-4-2016
2	30-05-2016
3	27-07-2016
4	10-08-2016
5	07-11-2016
6	04-02-2017

Information given to the Board:

The Company provides the information as set out in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of agenda papers in advance of the meeting or by way of presentations and disclosures during the meeting.

Post Meeting Mechanism:

The Important decisions taken at the Board / Board Committee Meetings are communicated to the concerned departments.

Familiarisation Programme for Directors:

Whenever a new Director is appointed, the said Director is explained in detail the compliance required under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his / her affirmation is taken with respect to the same. The Managing Director also familiarise him / her with the Company's operations. The details of the familiarisation programmes undertaken by the Company are provided in the website of the Company at the weblink: www.theandhrasugars.com

Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of the independence specified in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and meet with requirement of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment as provided in the Companies Act, 2013 and the Regulations has been issued to each Independent Director and placed on the website of the Company. These appointment letters can be accessed at the web link: www.theandhrasugars.com

Orientation programme to Independent Directors was organised at the Plant premises to familiarize them about the Plant operations of the Company. All the Directors participated in the programme and acquainted themselves with the entire operations of the Company.

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. As required by the Listing Agreement the Code of Conduct for Directors has been suitably amended to include the duties of Independent Directors. 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.

4. AUDIT COMMITTEE

- a) A qualified and Independent Audit Committee, meeting the requirements as stipulated in the Regulation 18 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 Regulation 18 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
 - 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.

The Andhra Sugars Limited

- 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 shall be subject to review by the Audit Committee.
- c) NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2016 -17 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Audit Committee Meeting
1	30-05-2016
2	27-07-2016
3	10-08-2016
4	07-11-2016
5	04-02-2017

- d) ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2016-17.

Name of the Director	No. of Meetings attended
Sri A. Ranga Rao	4
Dr. P. Kotaiah	5
Sri V.S. Raju	5

Joint Managing Director, G.M.(Fin) & Dy. 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.

- d) The Audit Committee considers periodically statement of Related Party Transactions at its meeting.

NOMINATION AND REMUNERATION COMMITTEE

- a) A Nomination and Remuneration Committee meeting the requirements as stipulated in the Regulation 19 of the Listing Agreement has been constituted. Nomination and Remuneration Committee consists of 3 Non-Executive independent Directors Sri A. Ranga Rao, Sri V.S. Raju and Sri P.A. Chowdary. Sri V.S. Raju is Chairman of the Committee.
- b) 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.
- c) The terms of reference of the Nomination and Remuneration Committee as detailed hereunder are in terms of Regulation 19 of the Listing Agreement:
- ❖ Identify persons who are qualified to be Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
 - ❖ Carry out evaluation of every Director's performance
 - ❖ Formulate the criteria for determining qualifications, positive attributes and independence of a Director and
 - ❖ Recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and employees one level below the KMP.

While formulating the said Policy the Committee should ensure that

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- b. Relationship of remuneration to performance is clear and meets appropriate performance bench marks and
- c. Remuneration to Director, Key Managerial Personnel and employees one level below the KMP involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of working of its Committees.

The performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed its satisfaction over its own performance, performance of its Committees and all the Directors individually.

The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration including criteria for promotion is described in Nomination and Remuneration Policy of the Company which can be accessed at the weblink: www.theandhrasugars.com

Perform such other functions as may be necessary or appropriate for the performance of its duties.

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- c) NUMBER OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR 2016 -17 AND THE DATES ON WHICH HELD

Sl. No.	Dates of Nomination and Remuneration Committee Meeting
1	19-05-2016
2	10-08-2016
3	07-11-2016
4	04-02-2017

- d) ATTENDANCE OF THE MEMBERS OF THE NOMINATION AND REMUNERATION COMMITTEE AT ITS MEETINGS HELD DURING THE FINANCIAL YEAR 2016-17.

Name of the Director	No. of Meetings attended
Sri A. Ranga Rao	4
Sri P.A. Chowdary	3
Sri V.S. Raju	4

Details of the remuneration paid / payable to the Directors during the year 2016-17 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	5233819	34448950	39682769
Sri P. Narendranath Chowdary	Nil	6375883	34448950	40824833
Sri M. Narendranath	Nil	3199733	21530593	24730326
Sri M. Thimmaraja	Nil	3189883	21530593	24720476
Sri P. Achuta Ramayya	Nil	2478666	21530593	24009259
Sri P.S.R.V.K. Ranga Rao	Nil	1526442	12918356	14444798
Sri A. Ranga Rao	2,60,000	Nil	Nil	2,60,000
Dr. P. Kotaiah	2,20,000	Nil	Nil	2,20,000
Sri V.S. Raju	3,20,000	Nil	Nil	3,20,000
Dr. A.V. Rama Rao	80,000	Nil	Nil	80,000
Sri P.A. Chowdary, I.R.S.(Retd.)	2,20,000	Nil	Nil	2,20,000
Dr. D. Manjulata	1,00,000	Nil	Nil	1,00,000

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, 2013. The Company enters into an agreement with the Managing Directors / Whole-time Directors relating to their appointment / re-appointment. There is no severance fee.

Corporate Social Responsibility (CSR) Committee:

Pursuant to Section 135 of the Companies Act, 2013 and the Companies (CSR Rules), 2014, CSR Committee was constituted on 27.7.2014. Presently, it comprises four Directors viz., Dr. B B Ramaiah, Chairman & Managing Director, is the Chairman of the Committee and Sri P. Narendranath Chowdary, Sri Mullapudi Thimmaraja and Sri V S Raju are the members of the Committee.

The terms of reference of the CSR Committee broadly comprises:

- ◆ To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder
- ◆ To recommend the amount of expenditure to be incurred on the CSR activities
- ◆ To monitor the implementation of the CSR Policy of the Company from time to time

Meeting and attendance:

The CSR Committee met during the year on 4.2.2017. The necessary quorum was present at the meetings. All the members of the Committee attended the said meetings.

The Company formulated CSR Policy which is uploaded on the website of the Company (weblink: www.theandhrasugars.com)

Independent Directors Meeting:

The Independent Directors met on 22nd May, 2017, inter alia, to discuss:

- ❖ Evaluation of performance of Non-Independent Directors and the Board as a whole.
- ❖ Evaluation of performance of the Chairman of the Company, taking into account the view of the Executive and Non-Executive Directors

Evaluation of the Quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. Details of familiarisation programme for Independent Directors is placed at weblink: www.theandhrasugars.com

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 un-listed subsidiary Companies.
- c) Minutes of the Board Meeting of the unlisted Companies are placed before the Board Meeting of the holding Company.

6. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:

As on 31.03.2017 Sri A. Ranga Rao holds 200 Equity Shares & Dr. D. Manjulata holds 21500 Equity Shares in the Company. No other Non-executive Director holds any equity shares in the Company. During the year 2016-17 Company has not issued any convertible instruments.

7. MANAGEMENT

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

8. CEO / CFO CERTIFICATION

In accordance with the requirements of Regulation 33 (2) 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.

9. STAKEHOLDERS' RELATIONSHIP COMMITTEE

- a) The Board has constituted Stakeholders' Relationship 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 Stakeholders' complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared Dividend and other related matters.
- b) The Board has designated Sri M. Palachandra, Company Secretary as the Compliance Officer.
- c) During the year 2016-17, Three Committee Meetings were held on dates viz., 19-5-2016, 7-11-2016 and 4-2-2017. The Company received a total number of 111 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 31.3.2017, no Share Transfers were pending and there were no pending complaints which has since been resolved.
- d) ATTENDANCE OF DIRECTORS AT THE STAKEHOLDERS RELATIONSHIP COMMITTEE MEETING HELD DURING FINANCIAL YEAR 2016-17.

Name of the Director	No. of Meetings attended
Sri P.A. Chowdary	3
Sri P. Narendranath Chowdary	3
Sri M. Thimmaraja	3

10. ANNUAL GENERAL BODY MEETINGS

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

Financial Year – 1 st April to 31 st March			
Financial Year	Venue	Date	Time
2013-2014	Registered Office, VENKATARAYAPURAM, TANUKU-534 215 (A.P.)	10-09-2014	3.00 p.m.
2014-2015	-do-	26-09-2015	3.00 p.m.
2015-2016	-do-	26-09-2016	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
10-09-2014	3	Acceptance of Fixed Deposits, Borrowing Powers, Creation of Charge
26-09-2015	1	Acceptance of Fixed Deposits
26-09-2016	2	Appointment of Managing Director, Acceptance of Fixed Deposits

11. 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 189 of the Companies Act, 2013 and the same is placed at every Board Meeting for the information of the Directors.

- 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 has a Whistle Blower Policy.
- iv. Details regarding Non-Mandatory requirements are enumerated under point No. 14.

Affirmations and Disclosures:

i) Compliance with governance frame work:

The Company has complied with the applicable mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii) Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the Related Parties during the Financial Year. Related Party Transactions have been disclosed under the Note No.42 of the Financial Statements in accordance with Accounting Standard-18. A statement in summary form of transactions with related parties in the ordinary course of business and on arm's length basis, is periodically placed before the Audit Committee for review and recommendation to the Board.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company formulated a Policy for dealing with Related Party Transactions. The Policy is available on the website of the Company (weblink: www.theandhrasugars.com)

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and or carried out on an arm's length basis or fair value.

- iii) Details of Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years:

No penalties or strictures were imposed on the Company for non-compliance by Stock Exchange / SEBI or any authority on any matter related to capital markets during the last 3 years.

- iv) Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases.

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v) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

vi) Risk Management

Board periodically reviews the compliance of all laws, regulations and various risks affecting the Company. Various Risk Management Systems adopted to mitigate the risks are also reviewed by the Board. Risk Management Policy approved by the Board can be accessed at the weblink: www.theandhrasugars.com

12. MEANS OF COMMUNICATION

- i. Quarterly Results are not being sent to each household of shareholders, since they are being published in leading news papers.
- ii. Quarterly, Half Yearly and Annual Results are being published in "The Hindu Business Line" and "Eenadu".
- iii. The Company displays its periodical results on the Company's Web Site, "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

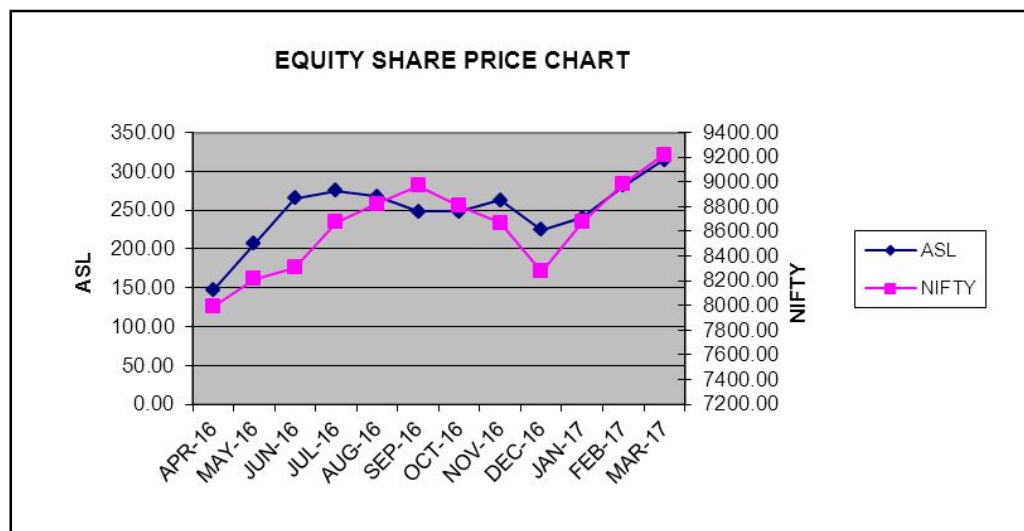
- | | | |
|------------------------------------|---|---|
| (i) Annual General Meeting | : | |
| Date & Time | : | Saturday, 23rd September, 2017 |
| Venue | : | at 3.00 P.M. |
| | | Registered Office
Venkatarayapuram, Tanuku - 534 215
West Godavari Dist. (A.P.) |
| (ii) Financial Year | : | The Company 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 | : | 14.09.2017 to 23.09.2017
(both days inclusive) |
| (iv) Record Date | : | 13.09.2017 |
| (v) Dividend payment date | : | 28.09.2017 |
| (vi) Listing on Stock Exchanges at | : | National Stock Exchange |
| (vii) Stock code | : | NSE-CODE-ANDHRSUGAR |

(vii) Stock Market Data : National Stock Exchange

Month	High	Low
	Rs.	Rs.
April, 2016	146.80	133.00
May, 2016	206.35	135.00
June, 2016	265.00	185.50
July, 2016	274.80	233.00
August, 2016	267.25	210.00
September, 2016	248.00	198.80
October, 2016	248.20	207.50
November, 2016	262.90	195.00
December, 2016	224.45	198.50
January, 2017	239.90	208.35
February, 2017	281.70	226.20
March, 2017	315.00	261.40

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

EQUITY SHARE PRICE CHART (NSE)



(ix) Registrars & Share Transfer Agents : Company's Equity Shares are listed on National Stock Exchange 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 25th October, 2000. The Company has appointed XL Softech Systems, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034 as Registrars and Transfer Agents

(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. XL Softech Systems Ltd., Hyderabad has been appointed to handle the Shares Transfer work.

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(xi) (a) Shareholding pattern as on 31st March, 2017

Category	No. of Shares held	% of Shareholding
Promoters	12748907	47.03
Institutions, Mutual Funds and Banks	236469	0.87
FII's / OCB's	–	–
NRI's	353818	1.31
Bodies Corporate, Trusts and Clearing Members	1652766	6.10
Public	12115118	44.69
Total	27107078	100.00

(b) Distribution of Shareholding as on 31st March, 2017

Shareholding of Nominal value of Rs.	No. of Shareholders	% to Total	Share Amount in Rs.	% to Total
Upto 5000	11259	80.84	1,47,55,070	5.44
5001 to 10000	999	7.17	80,28,970	2.96
10001 to 20000	683	4.90	1,03,80,240	3.83
20001 to 30000	284	2.04	72,09,080	2.66
30001 to 40000	119	0.85	42,57,800	1.57
40001 to 50000	110	0.79	51,04,930	1.88
50001 to 100000	219	1.57	1,64,51,090	6.07
100001 onwards	255	1.83	20,48,83,600	75.58
Total	13928	100.000	27,10,70,780	100.000

(xii) Dematerialisation of Equity Shares and liquidity:
The ISIN No. is INE715B01013. As on 31.3.2017, 45.18% 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, W.G. 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,
Thirunalvelli District, Tamil Nadu.
(c) Kundadam Village, Tamil Nadu
(d) Palladam Village, Tamil Nadu

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

13. NON-MANDATORY REQUIREMENTS :

Mandatory requirements of provisions of the Listing Agreement have been complied with by the Company. Adoption of non-mandatory requirement is as hereunder :

1. The Board

The Company has an Executive Chairman.

2. Shareholders Rights

The quarterly and Half Yearly are published in leading English news papers having circulation all over India and also in Telugu News Papers circulating in the District and are also posted on the Company's website therefore the same are not sent to the Shareholders individually.

3. Audit Qualification

There are no qualifications proposed by the Auditors in their Report for the year ending 31st March, 2017 as per the information received from them.

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As provided under Regulation 26 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 31st March, 2017.

Place : TANUKU
Date : 28.07.2017

Dr. B.B.RAMIAH
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of The Andhra Sugars Limited

We have examined the compliance of conditions of Corporate Governance by The Andhra Sugars Limited, for the year ended on 31st March, 2017 as stipulated in Chapter-IV of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter-IV of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor grievances remaining unattended/ pending for more than 30 days.

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

Camp : Tanuku
Date : 27th May 2017

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000513S
(T.V.Ramana)
Partner
Membership No. 200523

MANAGEMENT AND DISCUSSION ANALYSIS

The Sugar Industry seems to be on the path of recovery. 2016-17 Sugar Season started on an encouraging note. The Industry expects that this positive trend would continue. Recent initiative of the Government of India to increase duty on Import of Sugar is expected to provide the needed relief to the domestic Industry. Though the positives are seen, its sustainability for a longer period may be difficult till certain concerns of the Industry are properly addressed. To ensure that the Sugar Industry operates on a firm footing, there is a need for the State and Central Governments to provide certain reliefs such as Stable Import Policy, uniform implementation of recommendations of Rangarajan Committee for linking cane price to the realization from Sugar and other products, providing Subsidies and Incentives to encourage Mechanization of cane farming and ensuring that Ethanol blending programme with Automobile fuel is taken up by Refineries, Abolition of duty on Interstate sales of Molasses and encouraging the installation of Solar Pumps for irrigation facilities.

In the prevailing scenario, your Company's focus is on Mechanisation & Cane R&D activities.

- i) To overcome the harvesting labour problem, efforts are being made to implement Mechanization in Sugarcane Planting and Harvesting by designing and building Cane Planters that are loaned to Growers and modifying the CNH 4000 Cane Harvester to improve throughput, reduce cane loss and give clean cane.
- ii) To develop high Sugar and high yield sugarcane varieties, Sugarcane breeding program is being carried out at our Sugarcane R&D Farm. After evaluation and testing, two varieties were released to our growers in the Zone Areas of our Sugar Units. During 2016-17 Season 22% of Cane crushed was of these two varieties.

CHLOR ALKALI :

Your Company has an Integrated Chemical Complex at Saggonda manufacturing Caustic Soda, Chlorine and other Allied Products. A 400 TPD Caustic Soda Plant is in operation at Saggonda Village of Gopalapuram Mandalam and a 25 TPD Caustic Potash Plant at Kovvur, West Godavari, Andhra Pradesh.

Keeping in mind the increased requirement of the end user Industries, a 100 TPD Plant is being added to the existing Plant at Saggonda bringing the capacity of Caustic Soda production to 500 TPD.

Primarily 3 aspects are of the concerns to the Industry:

Firstly, the Paper Industry which was hitherto a bulk consumer of Chlorine no longer uses Chlorine as they have gone in for Chlorine free Technology. This has made the disposal of Chlorine out of the Caustic Soda Plant a difficult proposition.

Secondly, the Power which is a major input for the production of Caustic Soda, is required to be available at an economical Price. There is a need for the Government to classify this Industry under "Energy Intensive Industry" in order to get the benefit of availing Power at a concessional rate.

Thirdly, there has been dumping of products from Overseas destinations which has become a problem for the Domestic Industry to remain competitive as it is deprived of a level playing field. Therefore, it is necessary for the Government to take appropriate steps to provide much needed reliefs to the Industry to address this aspect of concern in proper perspective.

ASPIRIN :

As the Domestic market is not encouraging your Company's focus has been on International market. With this in mind, your Aspirin Plant has been upgraded to meet the International Standards (GMP). It has been audited and approved by USFDA & EDQM.

Several Overseas & Indigenous Multinational Companies have recognized your Company's product as meeting International Standards. In view of this the quantity of sales has gone up by 65% over last year's sales. Considering this encouraging trend, your Company proposes to enter into a long term business association with our Overseas clients.

Considering these developments, this capacity of our Aspirin Plant has been increased to 2000 TPA which would enable your Company to widen the International market base.

POWER :

Your Company operates Chlor Alkali Plants which are Power Intensive with Power constituting a major input cost. Hence, it is necessary to ensure the availability of quantity and quality of Power to remain competitive. With this in mind your Company commissioned a 33 MW Captive Generation Thermal Plant at Saggonda. This is in addition to a Solar Power Plant in operation at Kovvur. These two Plants will ensure enough Power for Chemical Plants. Your Company also receives 42 MW Power from Andhra Pradesh Gas Power Corporation Limited (APGPCL). The Power availed from this source is cheaper compared to that from the State Electricity Board

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.

As per the provisions of the Companies Act, 2013 the Statutory Auditors have annexed a report on Internal Control System to the Independent Auditors Report pertaining to Financial Year 2016-17.

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. 228.16 Crores (before interest and depreciation) against Rs. 149.16 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 31.3.2017 is Rs.690.59 Crores compared to Rs. 494.85 Crores as on 31.3.2016. Your Company has a net worth of Rs.841.32 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 31.3.2017 your Company's employees strength stands at 2,114.

ANNEXURE "II A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31-03-2017

Statement showing particulars of employees of the Company as required under Section 197 of the Companies Act, 2013, read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of Report of the Board of Directors for the period from 01-04-2015 to 31-03-2017.

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)	63	01-04-1998	39682769	91	Managing Director (Tech.) The Andhra Sugars Ltd., 28 Years
2)	Sri P.Narendranath Chowdary	Managing Director	B.Sc.	50	12-01-1976	40824833	69	Director, The Andhra Sugars Ltd., 8 Years
3)	Sri M. Narendranath	Joint Managing Director	B.Sc., (Ag.)	43	01-01-1998	24730326	68	Managing Director Sree Satyanarayana Spinning Mills Ltd., Tanuku. 24 Years
4)	Sri M. Thimmaraja	Joint Managing Director	B.Tech., M.B.A. (Florida)	42	01-08-1978	24720476	66	Director The Andhra Sugars Ltd., 2 1/2 Years
5)	Sri P. Achuta Ramayya	Joint Managing Director	B.Com., M.B.A. (New York)	34	01-08-1983	24009259	62	First Appointment
6)	Sri P.S.R.V.K.Ranga Rao	Executive Director	B.Com.	18	01-05-1999	14444798	47	Director The Andhra Sugars Ltd., 1 1/2 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 197 read with Schedule V of the Companies Act, 2013.

ANNEXURE 'II B' TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2017

Information pursuant to Section 134 of the Companies Act, 2013 read with rule 8(3) of Companies (Accounts) Rules, 2014.

A. Conservation of Energy:

CHEMICAL COMPLEX, SAGGONDA:

- a) 1) No.3 CSP Plant "C" Electrolyser Elements re-coated for reduction of power consumption (May-2014)
- 2) No.3 CSP Plant "C" Electrolyser Old F8020SP Membranes replaced with high performance low voltage F6801 New membranes for reduction of power consumption (May-2014).
- b) No.1 CSP Plant "G" Electrolyser and No.2 CSP Plant "A" Electrolyser Old Membranes replaced with high performance low voltage F6801 New Membranes for reduction of power consumption (February - 2015).
- c) Due to the above measures, the power consumption has reduced by approximately 130 KWH / Ton of production. Impact on cost of production Rs.800 / MT.

B. TECHNOLOGY ABSORPTION:

Form B annexed.

C. Foreign Exchange Earnings and outgo:	Current Year	Last Year
a) Used (Rs. in lakhs)		
i) Revenue Account	115.57	131.28
ii) Know-how fee and Service	-	-
b) Earned (Rs. in lakhs) on FOB basis	1861.48	851.72

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:

Development of new products using indigenous technologies and optimization of existing processes using the available resources. Your company is also actively involved in optimizing the existing process using modern technologies, Effective utilization of internal resources, Enhancing analytical capabilities for development of methods and controls to minimize waste and reduce environmental pollution. Development of suitable equipments for mechanization of Sugar cane farming and harvesting.

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

The continuous R&D activities of your company have helped in improving the quality of the existing products which helped to explore new markets. Mechanization of Sugar cane cultivation helped in optimizing the Sugar cane harvesting. The control of waste generation resulted in safe environment.

3. Future plan of action:

Your company will continue to utilize the existing R&D capabilities to upgrade the process technologies, Development of new products, Maximize production capacity at optimum cost.

TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION:

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

- a) Sugar cane breeding is being carried out continuously at the existing R&D farm to develop Sugar cane varieties of high yield.
- b) Implementation of Mechanization of Sugarcane planting and Harvesting is in progress.
- c) Laboratory scale trails for development of fuel for semi cryogenic engine were successfully completed.
- d) Studies for identification of better processes for disposing of effluents.

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

- a) Suitable high yield Sugar Cane varieties developed in the existing R&D farm were supplied to the farmers, which helped in high yield of Sugar.
- b) Implementation of mechanical plantation and harvesting helped in reducing the cost of plantation and harvesting Sugarcane.
- c) The successful lab trails of semi cryogenic engine fuel helped in obtaining the data required for establishment of pilot plant.
- d) The studies on effluent disposal helped in reducing the effluent and attain a safe environment.

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:

<ul style="list-style-type: none"> 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 there of. 	<p>NIL</p>
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ANNEXURE - III
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15420AP1947PLC00326
Registration Date	August 11, 1947
Name of the Company	The Andhra Sugars Limited
Category / Sub-Category of the Company	Public Company / Company having share capital
Address of the registered office and contact details	Venkatarayapuram Tanuku - 534 215 Andhra Pradesh Ph:08819-224911 ((7 Lines) Fax:08819-224168
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any*	XL Softech Systems Limited 3, Sagar Society Road No.2, Banjara Hills HYDERABAD - 500 034

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the company :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sugar	2060	24.18 %
2	Caustic Soda	3008	51.97 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Sections
1	JOCIL Limited	L28990AP1978PLC002260	Subsidiary	55.02 %	2(87)
2	The Andhra Farm Chemicals Corporation Limited	U24110AP1968PLC001197	Subsidiary	77.35 %	2(87)
3	Hindustan Allied Chemicals Limited	U24231AP1965PLC001039	Subsidiary	76.82 %	2(87)
4	The Andhra Petrochemicals Limited	L23209AP1984PLC004635	Associate	33.05%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1-April, 2016)				No. of Shares held at the end of the year (as on 31-March-2017)				(% Change during the year)
	Demat	Physical	Total	(%) of Total Shares	Demat	Physical	Total	(%) of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,056,645	10,464,874	11,521,519	42.50%	1,042,845	10,464,874	11,507,719	42.45%	-0.12%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		350,868	350,868	1.29%		350,868	350,868	1.29%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
g) Trust		890,320	890,320	3.28%		890,320	890,320	3.28%	0.00%
SubTotal (A) (1)	1,056,645	11,706,062	12,762,707	47.08%	1,042,845	11,706,062	12,748,907	47.03%	-0.11%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,056,645	11,706,062	12,762,707	47.08%	1,042,845	11,706,062	12,748,907	47.03%	-0.11%

B. Public Shareholding

1. Institutions									
a) Mutual Funds		5,500	5,500	0.02%		5,500	5,500	0.02%	0.00%
b) Banks / FI	195,684	1,104	196,788	0.73%	226,217	4,752	230,969	0.85%	17.37%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs	12,194		12,194	0.04%			-	0.00%	100.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	207,878	6,604	214,482	0.79%	226,217	10,252	236,469	0.87%	10.25%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,437,878	301,940	1,739,818	6.42%	1294111	305714	1,599,825	5.90%	-8.05%
ii) Overseas		-	-	0.00%		-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,889,105	1,238,833	7,127,938	26.30%	5894215	1165491	7,059,706	26.04%	-0.96%

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Category of Shareholders	No. of Shares held at the beginning of the year (as on 1-April, 2015)				No. of Shares held at the end of the year (as on 31-March-2016)				(% Change during the year)
	Demat	Physical	Total	(%) of Total Shares	Demat	Physical	Total	(%) of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,027,855	1,671,668	4,699,523	17.34%	3383744	1671668	5,055,412	18.65%	7.57%
c) Others (specify)									
Non Resident Indians	491,003	291	491,294	1.81%	353527	291	353,818	1.31%	-27.98%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	71,316		71,316	0.26%	52941		52,941	0.20%	-25.77%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies-D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	10,917,157	3,212,732	14,129,889	52.13%	10,978,538	3,143,164	14,121,702	52.10%	-0.06%
Total Public (B)	11,125,035	3,219,336	14,344,371	52.92%	11,204,755	3,153,416	14,358,171	52.97%	0.10%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
GrandTotal (A+B+C)	12,181,680	14,925,398	27,107,078	100.00%	12,247,600	14,859,478	27,107,078	100.00%	-0.01%

(ii) Shareholding of Promoter :

SI. No.	Shareholder's Name	No. of Shares held at the beginning of the year (as on 1-April-2016)			No. of Shares held at the end of the year (as on 31-March-2017)			Change in share holding during the year (%)
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
A	Promoters							
1	Pendyala Sujata	768119	2.83%	0.00%	768119	2.83%	0.00%	0.00%
2	Pendyala Jhansi Jayalakshmi	694824	2.56%	0.00%	694824	2.56%	0.00%	0.00%
3	P.S.R.V.K. Ranga Rao	627284	2.31%	0.00%	627284	2.31%	0.00%	0.00%
4	Maddipoti Kamala Devi	573840	2.12%	0.00%	573840	2.12%	0.00%	0.00%
5	Mullapudi Satyanarayanamma	558721	2.06%	0.00%	558721	2.06%	0.00%	0.00%
6	Pendyala Ananthalakshmi Satyavathi Devi	520304	1.92%	0.00%	0	0.00%	0.00%	100.00%
7	Sri Balusu Ranganayaki Alias Radhika	424795	1.57%	0.00%	424795	1.57%	0.00%	0.00%
8	Bolla Rajiv	410000	1.51%	0.00%	410000	1.51%	0.00%	0.00%
9	Mullapudi Narendranath	397140	1.47%	0.00%	397140	1.47%	0.00%	0.00%
10	Mullapudi Thimmaraja	367195	1.35%	0.00%	367195	1.35%	0.00%	0.00%
11	Pendyala Narendranath Chowdary	333056	1.23%	0.00%	333056	1.23%	0.00%	0.00%
12	Jujjavarapu Usharani	330975	1.22%	0.00%	330975	1.22%	0.00%	0.00%
13	Yelamarthi Narayanamma	323556	1.19%	0.00%	323556	1.19%	0.00%	0.00%
14	Mullapudi Narendranath (Individual)	302514	1.12%	0.00%	302514	1.12%	0.00%	0.00%
15	J. Ananthalakshmi	286624	1.06%	0.00%	286624	1.06%	0.00%	0.00%
16	Pendyala Atchutaramayya	285356	1.05%	0.00%	285356	1.05%	0.00%	0.00%
17	Pendyala Jhansi Jayalakshmi	0	0.00%	0.00%	260152	0.96%	0.00%	0.00%
18	Pendyala Narendranath Chowdary	0	0.00%	0.00%	260152	0.96%	0.00%	0.00%
19	Mullapudi Renuka	247858	0.91%	0.00%	247858	0.91%	0.00%	0.00%
20	Jujjavarapu Usharani	242381	0.89%	0.00%	242381	0.89%	0.00%	0.00%
21	Bolla Bulli Ramaiah	223998	0.83%	0.00%	223998	0.83%	0.00%	0.00%
22	Miss. Bolla Serena	218000	0.80%	0.00%	218000	0.80%	0.00%	0.00%
23	Mullapudi Thimmaraja (Individual)	205120	0.76%	0.00%	205120	0.76%	0.00%	0.00%
24	Mullapudi Narendranath (Individual)	205120	0.76%	0.00%	205120	0.76%	0.00%	0.00%
25	Mullapudi Thimmaraja (HUF)	204478	0.75%	0.00%	204478	0.75%	0.00%	0.00%
26	Pendyala Achuta Ramayya	182180	0.67%	0.00%	182180	0.67%	0.00%	0.00%
27	Pendyala Venkata Krishna Rao	172949	0.64%	0.00%	172949	0.64%	0.00%	0.00%

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28	Pendyala Sesha Shailaja	153600	0.57%	0.00%	153600	0.57%	0.00%	0.00%
29	Mullapudi Naryanamma	147564	0.54%	0.00%	147564	0.54%	0.00%	0.00%
30	Mullapudi Renuka	147564	0.54%	0.00%	147564	0.54%	0.00%	0.00%
31	Mullapudi Vikram Prasad	129437	0.48%	0.00%	129437	0.48%	0.00%	0.00%
32	Mullapudi Mrutyumjaya Prasad	120692	0.45%	0.00%	120692	0.45%	0.00%	0.00%
33	Mullapudi Thimmaraja (Individual)	110244	0.41%	0.00%	110244	0.41%	0.00%	0.00%
34	Nidadavolu Venkataramanamma	107438	0.40%	0.00%	107438	0.40%	0.00%	0.00%
35	Goli Jayashree	95720	0.35%	0.00%	95720	0.35%	0.00%	0.00%
36	Ramalakshmi E.	92966	0.34%	0.00%	92966	0.34%	0.00%	0.00%
37	Goli Devi	84288	0.31%	0.00%	84288	0.31%	0.00%	0.00%
38	Pendyala Narendranath Chowdary (Individual)	83793	0.31%	0.00%	83793	0.31%	0.00%	0.00%
39	Mullapudi Thimmaraja	83166	0.31%	0.00%	83166	0.31%	0.00%	0.00%
40	Bolla Ramesh Kumar	62650	0.23%	0.00%	62650	0.23%	0.00%	0.00%
41	Pendyala Sesha Shailaja	59607	0.22%	0.00%	59607	0.22%	0.00%	0.00%
42	Mullapudi Narendranath (Individual)	59166	0.22%	0.00%	59166	0.22%	0.00%	0.00%
43	Bolla Veera Venkata Satya Ramesh Kumar	57965	0.21%	0.00%	57965	0.21%	0.00%	0.00%
44	G. Anuradha	52800	0.19%	0.00%	52800	0.19%	0.00%	0.00%
45	Mullapudi Narendranath (Individual)	49098	0.18%	0.00%	49098	0.18%	0.00%	0.00%
46	Mullapudi Naryanamma	47616	0.18%	0.00%	47616	0.18%	0.00%	0.00%
47	Pendyala Sujatha	46021	0.17%	0.00%	46021	0.17%	0.00%	0.00%
48	Mullapudi Renuka	46000	0.17%	0.00%	46000	0.17%	0.00%	0.00%
49	Mullapudi Vikram Prasad	42048	0.16%	0.00%	42048	0.16%	0.00%	0.00%
50	Gaddipati Anuradha	42039	0.16%	0.00%	42039	0.16%	0.00%	0.00%
51	Pendyala Venkata Krishna Rao (Individual)	41359	0.15%	0.00%	41359	0.15%	0.00%	0.00%
52	Anantha Lakshmi N.	55000	0.20%	0.00%	40000	0.15%	0.00%	-27.27%
53	Mullapudi Renuka	39407	0.15%	0.00%	39407	0.15%	0.00%	0.00%
54	Mullapudi Naryanamma	37685	0.14%	0.00%	37685	0.14%	0.00%	0.00%
55	Pendyala Divya Atchimamba	37237	0.14%	0.00%	37237	0.14%	0.00%	0.00%
56	Mullapudi Thimmaraja	29045	0.11%	0.00%	29045	0.11%	0.00%	0.00%
57	Mullapudi Narendranath	28510	0.11%	0.00%	28510	0.11%	0.00%	0.00%
58	Mullapudi Narendranath	27446	0.10%	0.00%	27446	0.10%	0.00%	0.00%
59	Mullapudi Narendranath (HUF)	20633	0.08%	0.00%	20633	0.08%	0.00%	0.00%
60	Thimmaraja Mullapudi	19975	0.07%	0.00%	19975	0.07%	0.00%	0.00%

61	Narendranath Mullapudi	19975	0.07%	0.00%	19975	0.07%	0.00%	0.00%
62	Mullapudi Naryanamma	16951	0.06%	0.00%	16951	0.06%	0.00%	0.00%
63	Nidadavolu Venkataramanamma	16024	0.06%	0.00%	16024	0.06%	0.00%	0.00%
64	Pendyala Jansi Jayalakshmi	15300	0.06%	0.00%	15300	0.06%	0.00%	0.00%
65	Narayanamma Mullapudi	14850	0.05%	0.00%	14850	0.05%	0.00%	0.00%
66	Pendyala Sruthi Rajeswari	14300	0.05%	0.00%	14300	0.05%	0.00%	0.00%
67	Mullapudi Renuka	13314	0.05%	0.00%	13314	0.05%	0.00%	0.00%
68	B. Rama Devi	8807	0.03%	0.00%	8807	0.03%	0.00%	0.00%
69	P.S.R.V.K. Ranga Rao	8591	0.03%	0.00%	8591	0.03%	0.00%	0.00%
70	P.S.R.V.K. Ranga Rao	7000	0.03%	0.00%	8200	0.03%	0.00%	17.14%
71	P. Usha Lakshmi	8000	0.03%	0.00%	8000	0.03%	0.00%	0.00%
72	B Ramesh Kumar	5400	0.02%	0.00%	5400	0.02%	0.00%	0.00%
73	P. Meghana Sri Sai Sujata	5300	0.02%	0.00%	5300	0.02%	0.00%	0.00%
74	Pendyala Prithivi Sri Narendra Rayudu	3141	0.01%	0.00%	3141	0.01%	0.00%	0.00%
75	Nutakki Anantalakshmi	400	0.00%	0.00%	400	0.00%	0.00%	0.00%
76	S.M.V.M. Hospital	890320	3.28%	0.00%	890320	3.28%	0.00%	0.00%
77	The Mullapudi Investment & Finance Co. (P) Ltd.	128452	0.47%	0.00%	128452	0.47%	0.00%	0.00%
78	Thimmaraja Investment & Finance Co. (P) Ltd.	113536	0.42%	0.00%	113536	0.42%	0.00%	0.00%
79	Sree Harischandra Prasad Invest. & Fin. Co., Ltd.,	107800	0.40%	0.00%	107800	0.40%	0.00%	0.00%
80	Jayalakshmi Chemical Enterprises (P) Ltd.	1080	0.00%	0.00%	1080	0.00%	0.00%	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change) Nil

S No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Anantha Lakshmi N						
	At the beginning of the year			55,000	0.20%	55,000	0.20%
	Changes during the year			15,000	0.06%	40,000	0.15%
	At the end of the year			40,000	0.15%	40,000	0.15%
2	Anantha Lakshmi N						
	At the beginning of the year			7,000	0.03%	7,000	0.03%
	Changes during the year			1,200	0.00%	8,200	0.03%
	At the end of the year			8,200	0.03%	8,200	0.03%

(iv) **Shareholding Pattern of top ten Shareholders**

Nil

**Shareholding pattern of top 10 Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs)**

S No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Anil Kumar Goel						
	At the beginning of the year			450,000	1.66%	450,000	1.66%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			450,000	1.66%	450,000	1.66%
2	Seetha Kumari						
	At the beginning of the year			179,647	0.66%	179,647	0.66%
	Changes during the year			251,887	0.93%	431,534	1.59%
	At the end of the year			431,534	1.59%	431,534	1.59%
3	Sree Akkamamba Textiles Ltd.						
	At the beginning of the year			301,940	1.11%	301,940	1.11%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			301,940	1.11%	301,940	1.11%
4	Sharmin Nasser						
	At the beginning of the year			80,000	0.30%	80,000	0.30%
	Changes during the year			220,000	0.81%	300,000	1.11%
	At the end of the year			300,000	1.11%	300,000	1.11%
5	Brolly Deaalcom LLP						
	At the beginning of the year			0	0.00%	0	0.00%
	Changes during the year			233,500	0.86%	233,500	0.86%
	At the end of the year			233,500	0.86%	233,500	0.86%
6	Jaagruthi Ventures Pvt. Ltd.						
	At the beginning of the year			115,659	0.43%	115,659	0.43%
	Changes during the year			115,249	0.43%	230,908	0.85%
	At the end of the year			230,908	0.85%	230,908	0.85%
7	Pendyala Ravi						
	At the beginning of the year			213,764	0.79%	213,764	0.79%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			213,764	0.79%	213,764	0.79%
8	Seema Goel						
	At the beginning of the year			200,000	0.74%	200,000	0.74%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200,000	0.74%	200,000	0.74%
9	Zaki Abbas Nasser						
	At the beginning of the year			160,000	0.59%	160,000	0.59%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			160,000	0.59%	160,000	0.59%
10	Jujjavarapu Chandramathi						
	At the beginning of the year			157,556	0.58%	157,556	0.58%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			157,556	0.58%	157,556	0.58%

(v) **A. Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Dr. B. B. Ramaiah						
	At the beginning of the year			223,998	0.83%	223,998	0.83%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			223,998	0.83%	223,998	0.83%
2	P. Narendranath Chowdary						
	At the beginning of the year			416,849	1.54%	416,849	1.54%
	Changes during the year			260,152	0.96%	260,152	0.96%
	At the end of the year			677,001	2.50%	677,001	2.50%
3	Mullapudi Natendranath						
	At the beginning of the year			1,109,602	4.09%	1,109,602	4.09%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,109,602	4.09%	1,109,602	4.09%
4	Mullapudi Thimmaraja						
	At the beginning of the year			1,019,223	3.76%	1,019,223	3.76%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,019,223	3.76%	1,019,223	3.76%
5	Pendyala Achuta Ramayya						
	At the beginning of the year			467,536	1.72%	467,536	1.72%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			467,536	1.72%	467,536	1.72%
6	P.S.R.V.K. Ranga Rao						
	At the beginning of the year			642,875	2.37%	642,875	2.37%
	Changes during the year			1,200	0.00%	1,200	0.00%
	At the end of the year			644,075	2.38%	644,075	2.38%
7	A. Ranga Rao						
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%
8	Dr. Dasari Manjulata						
	At the beginning of the year			21,500	0.08%	21,500	0.08%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			21,500	0.08%	21,500	0.08%
9	M. Palachandra						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
10	P.V.S. Viseabadha Kumar						
	At the beginning of the year			120	0.00%	120	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			120	0.00%	120	0.00%

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,616.56	3,645.76	15,030.20	28,292.52
ii) Interest due but not paid			6.64	6.64
iii) Interest accrued but not due	16.02		358.44	374.46
Total (i+ii+iii)	9,632.58	3,645.76	15,395.28	28,673.62
Change in Indebtedness during the financial year				
* Addition	5,965.09		1,421.73	7,386.82
* Reduction		(637.68)		(637.68)
Net Change	5,965.09	(637.68)	1,421.73	6,749.14
Indebtedness at the end of the financial year				
i) Principal Amount	15,566.45	3,008.08	16,436.85	35,011.38
ii) Interest due but not paid			-	
iii) Interest accrued but not due	31.22		380.16	411.38
Total (i+ii+iii)	15,597.67	3,008.08	16,817.01	35,422.76

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Name Designation	Dr. B. B. Ramaiah Chairman & Managing Director	P. Narendranath Chowdary Managing Director
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4140000.00	5940000.00	10080000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1093819.00	435883.00	1529702.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			--
2	Stock Option			--
3	Sweat Equity			--
4	Commission			--
	- as % of profit	34448950.00	34448950.00	68897900.00
	- others, specify			--
5	Others, please specify			--
	Total (A)	39682769.00	40824833.00	80507602.00
	Ceiling as per the Act			

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount	
		Name Designation	Mullapudi Narendranath Joint Managing Director	Mullapudi Thimmaraja Joint Managing Director	(Rs. in lacs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2970000.00	2970000.00	5940000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		229733.00	219883.00	449616.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				--
2	Stock Option				--
3	Sweat Equity				--
4	Commission				--
	- as % of profit		21530593.00	21530593.00	43061186.00
	- others, specify				--
5	Others, please specify				--
	Total (A)		24730326.00	24720476.00	49450802.00
	Ceiling as per the Act				

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount	
		Name Designation	P. Achuta Ramayya Joint Managing Director	P.S.R.V.K.Ranga Rao Executive Director	(Rs. in lacs)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2070000.00	1409735.00	3479735.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		408666.00	116707.00	525373.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				--
2	Stock Option				--
3	Sweat Equity				--
4	Commission				--
	- as % of profit		21530593.00	12918356.00	34448949.00
	- others, specify				--
5	Others, please specify				--
	Total (A)		24009259.00	14444798.00	38454057.00

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Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Independent Directors	A. Ranga Rao	Dr. P.Kotaiah	V.S. Raju
	Fee for attending board / committee meetings	260000.00	220000.00	320000.00	800000.00
	Commission				-
	Others, please specify				-
	Total (1)	260000.00	220000.00	320000.00	800000.00
	Independent Directors	Dr. A.V.Rama Rao	P.A.Chowdary	Dr. D. Manjulata	
	Fee for attending board / committee meetings	80000.00	220000.00	100000.00	400000.00
	Commission				-
	Others, please specify				-
	Total (2)	80000.00	220000.00	100000.00	400000.00
	Total (B)=(1+2)	340000.00	440000.00	420000.00	1200000.00
	Total Managerial Remuneration				169612461.00
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name Designation	CEO	M. Palachandra CS	P.V.S Viswanadha Kumar CFO
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1861420.00	2303763.00	4165183.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		185732.00	120994.00	306726.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit		-	-	-
5	Others, please specify		-	-	-
	Total		2047152.00	2424757.00	4471909.00

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding		NIL NIL NIL			
B. DIRECTORS Penalty Punishment Compounding		NIL NIL NIL			
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding		NIL NIL NIL			

**Annexure - IV
Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
The Andhra Sugars Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

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

Based on our verification of M/s The Andhra Sugars Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. The Andhra Sugars Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings
- ii) Listing Agreement entered into by the Company with the National Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) Sugarcane Control Order, 1966
- b) Sugar Cess Act, 1982
- c) Sugar Development Fund Act, 1982
- d) The Andhra Pradesh Sugarcane (Regulation of Supply & Purchase) Act, 1961
- e) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rule, 2008
- f) Drugs & Cosmetics Act, 2002 and rules made thereunder
- g) Legal Metrology Act, 2009 and rules made thereunder
- h) Arms Act and Rules, 1962
- i) Andhra Pradesh Electricity Act
- j) The Environmental Protection Act, 1986
- k) The Indian Electricity Act
- l) Indian Explosives Act
- m) Petroleum Act
- n) The Indian Telegraph Act
- o) Andhra Pradesh Petroleum Products Order, 1980
- p) The Andhra Pradesh Panchayat Raj Act, 1994

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

**For NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries**

(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No.F7157, C.P.No.7839

Date : 10-06-2017
Place : Hyderabad

Note :

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE - A

To
The Members,
The Andhra Sugars Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

Our report of even date is to be read along with this letter:

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

**For NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries**

(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No.F7157, C.P.No.7839

Date : 10-06-2017
Place : Hyderabad

ANNEXURE - V

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT 2013, READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2017.

1. Ratio of remuneration of each Director to median remuneration of the employees of the Company for the Financial Year.

Sl. No.	Name of the Director	Ratio of remuneration of Director to median remuneration of employees
		2016 - 17
1.	Dr.B.B. Ramaiah	185.08:1
2.	Sri P. Narendranath Chowdary	190.40:1
3.	Sri M. Narendranath	115.34:1
4.	Sri M. Thimmaraja	115.29:1
5.	Sri P. Achuta Ramayya	111.98:1
6.	Sri P.S.R.V.K. Ranga Rao	67.37:1
7.	Sri A. Ranga Rao	1.21:1
8.	Dr. P. Kotaiah	1.03:1
9.	Sri V.S.Raju	1.49:1
10.	Sri A.V. Rama Rao	0.37:1
11.	Sri P.A. Chowdary	1.03:1
12.	Dr. Manjulata	0.47:1

2. Percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary.

Sl. No.	Name of the Director	Designation	Percentage Increase (%)
			2016 - 17
1.	Dr.B.B. Ramaiah	Chairman	97.59
2.	Sri P. Narendranath Chowdary	Director	98.96
3.	Sri M. Narendranath	Director	95.78
4.	Sri M. Thimmaraja	Director	95.96
5.	Sri P. Achuta Ramayya	Director	102.32
6.	Sri P.S.R.V.K. Ranga Rao	Director	87.86
7.	Sri M. Palachandra	Company Secretary	0.00
8.	Sri P.V.S. Viswanadha Kumar	G.M. (Finance) & Dy. Secretary	20.08

3. The percentage increase in the median remuneration of employees in Financial Year 2016-17 is 4.83%.
4. Number of permanent employees on the rolls of the Company as on 31st March, 2017 was 2114 and as on 31st March, 2016 was 2127.
5. Remuneration of Whole-time Directors consists of Commission on net profits for a particular year if applicable.
6. No employee has received remuneration in excess of highest paid Director of the Company during the Financial Year 2016-17.

The Andhra Sugars Limited

7. The explanation on the relationship between average increase in remuneration and Company's performance:
There is no direct relationship between average increase in remuneration of employees and Company's performance.

8. Remuneration of KMP against performance of the Company

(Rs. In lakhs)

Remuneration of KMP during the Financial Year 2016-17	441.55
Revenue from Operations	99,367.03
Remuneration percentage (as % of revenue)	0.44%

9. Variations in market capitalisation of the Company, Price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

Particulars	31-03-2017	31-03-2016	Variation %
Closing Rate of Shares on NSE (Rs.)	309.45	137.70	124.73
Earnings Per Share (EPS) (Rs.)	44.31	17.13	158.66
Market Capitalization (Rs. In lakhs)	83882.85	37326.45	124.73
Prise Earning Ratio (Rs.)	6.98	8.04	(13.18)

10. Comparison of each remuneration of the Key managerial Personnel against the performance of the Company:

Particulars	Chief Executive Officer Rs. In lakhs	Chief Financial Officer Rs. In lakhs	Company Secretary Rs. In lakhs
Remuneration	396.83	24.25	20.47
Revenue	99367.03	99367.03	99367.03
Remuneration (as a percentage of Revenue)	0.40%	0.02%	0.02%

11. Remuneration to Employees and Directors of the Company is in line with Remuneration Policy of the Company as per competitive market scenario and sustainability in the medium to long run.

ANNEXURE - VI

1. Philosophy:

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.

2. Corporate Social Responsibility Committee:

Following Directors are on Corporate Social Responsibility Committee constituted by the Board of Directors.

1. Dr. B.B. Ramaiah, Chairman & Managing Director (Chairman of the Committee)
2. Sri P. Narendranath Chowdary, Managing Director
3. Sri Mullapudi Thimmaraja, Joint Managing Director
4. Sri V.S. Raju, Independent Director

3. Average Net Profits :

Rs. 49,93,96,097/- Of last 3 Financial Years.

4. Prescribed Corporate Social Responsibility Committee Expenditure

Rs. 99,87,922/- (2% of the amount as in 3 above)

5. Details of Corporate Social Responsibility Committee spent during the year.

- (a) Total Amount to be spent : Rs. 99,87,922/-
- (b) Amount unspent if any : NIL
- (c) Manner in which the amount spent during the Financial Year is annexed.

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Dr. B.B. Ramaiah
(Chairman CSR Committee)

V.S. Raju
(Member - Independent Director)

DETAILS OF CSR ACTIVITIES

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project / Programme	Sector in which the Project / Programme is covered	Projects / Programmes (1) Local area or other (2) Specify the State and district where Projects or Programmes were under taken	Amount outlay (budget) Project / Programme Wise	Amount spent on the Project / Programme Subheads: (1) Direct expenditure on Project / Programme (2) Overheads	Cumulative expenditure upto the reporting period i.e. 31.03.2016	Amount spent: Direct or through implementing agency
1.	Providing Health Related Activities	Health Care	Local Area West Godavari District Andhra Pradesh	85.21	85.21	85.21	Sree Mullapudi Venkataramanamma Memorial Hospital, Venkatarayapuram
2.	Promotion of Environment awareness	Environment	Mumbai, Maharashtra	1.05	1.05	1.05	Utkarsh Star Mitra Mandal Mumbai
3.	Promotion of Green Environment	Environment	Ananthapur Andhra Pradesh	0.98	0.98	0.98	Wind Power Plant Ramagiri, Ananthapur Dist.,
4.	Promotion of Primary Education	Education	Local Area West Godavari District Andhra Pradesh	2.64	2.64	2.64	Primary Education School Gopavaram, W.G.Dist.,
5.	Promotion of Green Energy	Environment	Local Area West Godavari District Andhra Pradesh	10.00	10.00	10.00	Tanuku Municipality W.G.Dist.,

ANNEXURE - VII

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

TANUKU
28.07.2017

Dr. B.B. RAMAIAH
Chairman & Managing Director

Independent Auditor's Report

To
the Members of
**THE ANDHRA SUGARS LIMITED,
TANUKU**

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of The Andhra Sugars Ltd., which comprise the Balance sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- 2) As required by Section 143(3) of the Companies Act,2013 we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
 - e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 31 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company had provided requisite disclosures in Note 10 of its standalone Ind AS financial statements as to holdings as well as dealings in Specified bank notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company.

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number:000513S

(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Camp : Tanuku
Date : 27th May 2017

ANNEXURE - A to The Independent Auditor's 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 , TANUKU for the year ended 31st March 2017. We report that:

- (i). (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations furnished to us, the title deeds of immovable properties are held in the name of the company.
- (ii). According to the information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals and the discrepancies noticed during such physical verification of inventories as compared to books have been properly dealt with in the books of account.
- (iii). The company has granted loan to its Associate company for an amount of Rs. 4000 lacs (maximum balance Rs. 4000 lacs) covered in the register maintained under section 189 of the Companies Act 2013.
 - a. The terms and conditions of the grant of such loan to its Associate are not prima facie prejudicial to the interest of the company.
 - b. As per the stipulations mentioned in the loan agreement, Principal is repayable on 31st March 2019 and the Associate is paying interest as per the terms of the agreement.
 - c. There is no amount of overdue on account of Principal and Interest recoverable from its Associate as at 31st March 2017.
- (iv). In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of section 186 of the Companies Act 2013, in respect of Loans and investments made by the company.
- (v). In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 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 73 to 76 of the Companies Act, 2013.
- (vi). We have broadly reviewed the books of account and records maintained by the company at its Sugar Units, Caustic Soda Division, Caustic Potash Division, Sulphuric Acid Divisions, Superphosphate Division and Rectified Spirit of Distillery Division pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii). (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it; and no undisputed statutory dues were outstanding, as at the date of 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 2015	17.46 (interest on above)	Pending receipt of demand by the company

- (b) According to the information and explanations given to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the balance sheet under report, except

Sl. No.	Nature of dues	Name of the statute	Period	Amount (Rs. In lakhs)	Forum where the dispute is pending
1	Water (Prevention and control of Pollution) Cess Act, 1977	Cess	01-04-78 to 1990-91	0.50	Appellate Committee of the Govt. of A.P.
2	Sales Tax laws in different States	Sales Tax	2002-03 to 2011-12	104.74	Different appellate Authorities
3	Income Tax Act, 1961	Income Tax	2007-08 to 2014-15	16.90	Commissioner of Income Tax, Appeals
4	Central Excise Act, 1944	Excise duty	2002-03 to 2013-14	2646.15	Different departmental appellate authorities
5	Service Tax Law	Service Tax	2004-05 to 2011-12	53.02	Commissioner of Service Tax

- (viii). According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks and Government during the year under report.
- (ix). The company did not raise any money by way of initial public offer or further public offer (including debt instruments) except term loans from banks during the year under report and the same were applied for the purposes for which those were raised.
- (x). During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Audited Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii). In our opinion and according to the information and explanations furnished to us, the company is not a Nidhi and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report.

- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him under the provisions of Section 192 of Companies Act, 2013. Therefore the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number:000513S
(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Camp : Tanuku
Date : 27th May 2017

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of The Andhra Sugars Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Camp : Tanuku
Date : 27th May 2017

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number:000513S
(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

BALANCE SHEET AS ON 31ST MARCH 2017

(Rs. in lakhs)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets				
Non current Assets				
Property, Plant and Equipment	2	59860.31	44702.49	45320.77
Capital Work in Progress		2738.42	6019.44	2523.88
Investment property	2.1	9.45	12.08	15.58
Other Intangible assets	2.1	25.49	30.69	35.89
Financial Assets				
Investments	3	25759.02	20648.45	27855.67
Loans	4	4000.00	1500.00	1500.00
Other Financial Assets	5			
Other Non Current Assets	7	3305.87	4141.14	2883.61
Current Assets				
Inventories	8	24701.96	28643.95	32961.07
Financial assets				
Investments	3.1	9977.47	0.00	0.00
Trade Receivables	9	9389.75	9075.02	9662.31
Cash and Bank Balances	10	2805.03	2071.85	2458.72
Other Financial Assets	5	194.60	179.48	148.39
Current Tax Assets	6	678.01	1793.99	1280.99
Other Current Assets	7	3170.43	1706.10	2038.36
TOTAL		146615.81	120524.68	128685.24
Equity and Liabilities				
Equity				
Equity Share Capital	11	2711.01	2711.01	2711.01
Other Equity	12	81420.97	66628.74	69936.68
Deferred Government grant	17.1	1212.17	1643.99	
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Long-term Borrowings	13	23209.10	15358.00	14936.72
Other Long-term financial liabilities	15	197.51	181.30	148.60
Deferred Tax Liability (Net)	20	10893.17	9423.95	10855.32
Long-term Provisions	16	677.80	394.98	672.24
Other non-current liabilities	17	4111.26	4371.49	3979.81
Current Liabilities				
Financial Liabilities				
Borrowings	14	3622.03	5903.17	13821.29
Trade Payables	18.1	3886.47	1467.19	1822.97
Other financial Liabilities	18.2	10486.15	7711.99	4988.91
Other current liabilities	19	3523.33	4022.15	4144.98
Short term Provisions	16.1	664.84	706.72	666.71
TOTAL		146615.81	120524.68	128685.24
Summary of Significant Accounting Policies	1.1			

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

Chairman & Managing Director
Director

M. Palachandra
P.V.S. Viswanadha Kumar

Company Secretary
G.M.(Finance) & Dy. Secretary

Place:- Tanuku
Date:- 27.05.2017

Place:- Tanuku
Date:- 27.05.2017

Statement of Profit and Loss for the year ended

(Rs. in Lakhs)

PARTICULARS	Notes	Current Reporting Period 2016-17	Previous Reporting Period 2015-16
Income			
I Revenue from operations	21	97199.98	93098.30
II Other Income	22	2167.05	2222.22
III Total Income (I + II)		99367.03	95320.52
IV Expenses			
Cost of materials consumed	23	24529.18	32294.57
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	5127.69	3473.77
Excise duty		6530.27	6166.01
Employee Benefits Expense	25	9212.84	8152.99
Depreciation and Amortization Expense	26	4420.43	4789.47
Finance Costs	27	2430.45	2766.02
Power and fuel		18956.89	17535.21
Other Expenses	28	12193.87	12782.45
Total Expenses (IV)		83401.62	87960.49
V Profit Before Exceptional Items and Tax (III-IV)		15965.41	7360.03
VI Exceptional Items			
VII Profit Before Tax (V-VI)		15965.41	7360.03
VIII Tax			
Add: Income Tax Refund		4.54	90.41
Less : Tax Expenses			
Short/ (Excess) provision of Income Tax of Earlier years		--	(187.97)
Current Tax -		3337.99	2750.00
MAT Credit Entitlement		(1553.48)	--
Deferred Tax		2134.39	248.66
Total Tax Expense		3914.36	2720.28
IX Profit for the year after tax from continuing operations (VII-VIII)		12051.05	4639.75
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss	28(a)	2741.18	(5471.72)
B (i) Items that will be reclassified to profit or loss		--	--
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (IX+X) (comprising profit (loss) for the period and other comprehensive income)		14792.23	(831.97)
Basic Earning Per Share		44.46	17.12
Diluted Earning Per Share		44.46	17.12
Summary of Significant Accounting Policies	1.1		

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

Chairman & Managing Director
Director

M. Palachandra
P.V.S. Viswanadha Kumar

Company Secretary
G.M.(Finance) & Dy. Secretary

Place:- Tanuku
Date:- 27.05.2017

Place:- Tanuku
Date:- 27.05.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rs. in Lakhs)

PARTICULARS	31st March 2017	31st March 2016
Profit before tax from continuing operations	15,965.41	7,360.03
Adjustments for		
Net gain on sale of current investments	(152.49)	(170.66)
Net gain on revaluation of current investments	(158.84)	--
Interest expense	2,430.45	2,766.02
Interest income	(783.35)	(573.83)
Dividend income	(2.95)	(638.61)
Loss Allowance provided	(27.54)	(10.27)
Government Grant amortised	(431.83)	(471.54)
Depreciation/amortization on continuing operation	4,420.43	4,789.47
Impairment/other write off on tangible/intangible assets	--	2.26
Loss/[profit] on sale of fixed assets	(1.22)	(5.29)
Remeasurement of defined benefit plans	(478.59)	(50.72)
Wealth Tax	--	--
Net (gain)/Loss on sale of Non-current investments	--	--
Operating profit before working capital changes	20,779.48	12,996.86
Movements in working capital:		
Increase/[decrease] in trade payables	2,419.27	(355.78)
Increase/[decrease] in long-term provisions	282.82	(277.26)
Increase/[decrease] in short-term provisions	(41.88)	40.01
Increase/[decrease] in other liabilities	2,275.34	2,627.43
Increase/[decrease] in other financial liabilities (non-current)	16.21	32.70
Increase/[decrease] in other liabilities (non-current)	(232.83)	375.15
Decrease/[increase] in trade receivables	(287.19)	597.56
Decrease/[increase] in inventories	3,941.99	4,280.14
Decrease/[increase] in long-term loans and advances	20.07	(2,577.23)
Decrease/[increase] in other current assets	(1,464.33)	1,832.26
Decrease/[increase] in other financial assets (current)	(15.12)	(31.09)
Cash generated from/[used in] operations	27,693.83	19,540.75
Direct taxes paid [net of refunds]	2,217.47	2,905.28
Net cash flow from/[used in] operating activities (A)	25,476.36	16,635.47
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(15,475.16)	(7,808.67)
Proceeds from sale of fixed assets	2.17	10.14
Proceeds of non-current investments	--	--
Purchase of non-current investments	(1,002.50)	(0.10)
Purchase of current investments	(25,349.99)	(15,250.00)
Proceeds from sale/maturity of current investments	15,683.85	15,420.66
Interest received	783.35	573.83
Dividends received from subsidiary company	--	635.25
Dividends received from Long-Term investments	2.95	3.36
Net cash flow from/[used in] investing activities (B)	(25,355.33)	(6,415.53)
Proceeds from non-current borrowings	7,433.78	2,043.12
Inter-corporate loan to APL	(2,500.00)	--
Proceeds from borrowings (Current)	(2,281.14)	(7,918.12)
Proceeds from other non-current financial liabilities		
Interest paid	(2,040.49)	(2,300.85)
Dividends paid including Interim Dividend	--	(2,168.56)
Tax on equity dividend paid	--	(262.40)
Net cash flow from/[used in] in financing activities [C]	612.15	(10,606.81)
Net increase/[decrease] in cash and cash equivalents (A+B+C)	733.18	(386.87)
Cash and cash equivalents at the beginning of the year	2,071.85	2,458.72
Cash and cash equivalents at the end of the year	2,805.03	2,071.85
Components of cash and cash equivalents		
Cash on hand	60.22	14.82
Cheques/drafts on hand	130.05	273.75
With banks Accounts	2,300.60	1,414.05
Margin Money deposit accounts	215.88	277.96
Unpaid dividend accounts*	98.28	91.27
Total cash and cash equivalents (Note 15)	2,805.03	2,071.85

The Andhra Sugars Limited

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

Chairman & Managing Director
Director

M. Palachandra
P.V.S. Viswanadha Kumar

Company Secretary
G.M.(Finance) & Dy. Secretary

Place:- Tanuku
Date:- 27.05.2017

Place:- Tanuku
Date:- 27.05.2017

Notes Forming Part of Accounts

1. CORPORATE INFORMATION

Brief description of the Company

The Andhra Sugars Limited ('the company') is a leading manufacturers' of Sugar, Industrial Alcohol, Caustic Soda, Aspirin, Sulphuric Acid, Rocket Fuel, and also generating power through renewable and non-renewable resources.

The company is a public limited company incorporated and domiciled in India and has its registered office at Tanuku, Andhra Pradesh, India. The securities of the company were listed in National Stock Exchange of India Limited.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorize for issue on May 27, 2017.

1.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

a) Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting principles generally accepted in India, as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized.

b) Basis of preparation of financial statements

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Significant Estimates and judgements

The areas involving critical estimates or judgments are:

- i) Estimation of fair value of unlisted securities-
- ii) Defined benefit obligation -
- iii) Estimation of useful life of Property, Plant and Equipment -
- iv) Estimation and evaluation of provisions and contingencies relating to tax litigations -.

Notes Forming Part of Accounts

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties. It includes Excise Duty but excludes Value Added Tax, Sales Tax and Service tax.

Sale of products:

Revenue from sale of products is recognized, when significant risks and rewards of ownership pass to the dealer / customer, as per terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

Interest Income:

Interest income from debt instruments is recognized using the effective interest rate method and is accrued on a time basis. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends:

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

f) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

g) Depreciation and amortization

- i) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset,
- On part of buildings, Main plant and machinery and Electrical Installations of Caustic Soda division, Aspirin, Wind Power at Ramagiri, Wind Power 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 & Oil Products unit, Sulphuric Acid unit at SaggondaCoal based Power Plant at Saggondaand Solar Power Plant at Kovvur under Straight Line Method.
 - On the remaining assets of the above units and all assets of 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.
 - In respect of the following assets, the useful life has been estimated by the technical personnel which is different from the life given under Part C of Schedule II of the Companies Act, 2013 as detailed here under:

Notes Forming Part of Accounts

- ◆ Boilers, Chlorine storage Tank, MS Storage Tank, HCL Plant, DM Water plant, Diesel Generator set, ET Plant Pond, Turbines, Rectifiers, Cell Plant, Shell, Evaporation Plant, Fusion Plant, Sulphur Melting Station, Rotary Ball Mill, Bagassee Handling System, Centrifugal Machinery - 20 years.
 - ◆ MS Pipe lines, Refrigeration Plant, Distributed Control System, ET Plant, Brass Tubes, Bearings, Process Plant, Sodium Sulphate Recovery Plant - 15 years.
 - ◆ Cooling Towers, Instrumentation, Air Compressors, Chains - 10 years
 - ◆ Solar Plant - 25 years.
- ii) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- iii) Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as capital advances under other Non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress.
- iv) Assets to be disposed off are reported at the lower of carrying value or fair value less cost to sell.

h) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. In respect of approved Research and Development programme, expenditure of capital nature is included in the fixed assets and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

i) Impairment**i) Financial Assets:**

The company recognizes loss allowances using Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Profit and Loss. Loss allowance for trade receivables are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are companyed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or companys of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period

j) Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupee (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

- i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- ii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

Notes Forming Part of Accounts

- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

k) Investment in Subsidiaries and Associates:

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial statements.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment and is not tested for impairment individually. An excess of the company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment is recognized directly in equity as capital reserve in the period in which the investment is acquired.

l) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

- i) Cost of raw materials, components, stores, spares and work-in-process are valued at cost, determined on a first-in-first-out basis.
- ii) Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolesces, defective inventories are duly provided for.
- iii) By-products and scrap are valued at net realizable value and it is reduced from cost of the main product.

m) Employee benefits

- i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- ii) Other long term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees,
- b) Defined contribution plans such as provident fund and
- c) Superannuation

Notes Forming Part of Accounts**Gratuity obligation:**

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Provident Fund and Employees' state Insurance Scheme:

Eligible employees of The Andhra Sugars Limited receive benefits from a provident fund and Employees' State Insurance scheme which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the Provident Fund and Employees' State Insurance equal to a specified percentage of the covered employee's salary.

Superannuation:

Certain employees of The Andhra Sugars Limited are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

n) Taxes on income:

Tax expense comprises of current and deferred taxes.

The income tax expense(income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for a period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes Forming Part of Accounts

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Where the Company's entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

o) Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

p) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

iii) Contingent assets:

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

q) Segment reporting

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance, the company's chief operating decision maker is the Chairman and Managing Director.

Notes Forming Part of Accounts

The company has identified business segments (industry practice) as reportable segments. The business segments comprise 1) Sugars, 2) Caustic Soda, 3) Power Generation, 4) Industrial Chemicals and 5) Others such as bulk drug, UH 25 and MMH, Liquid Hydrogen, HTPB.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

r) Leases

Leases of property, plant and equipment where the Company, as a lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the inception of lease at fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, as per Ind AS 16-Property plant and equipment, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

s) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

t) Cash flow statement:

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

u) Financial instruments

Financial assets and financial liabilities are recognized when company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

v) Financial assets

All regular way purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Notes Forming Part of Accounts

For the impairment policy on financial assets - refer Para No. h(i).

1) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'investment Revaluation reserve' through other comprehensive income. When the investment is disposed of the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value through Profit and loss.

2) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

3) Investments in equity instruments at FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'investment Revaluation Reserve' through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-making; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The company has equity investments which are not held for trading. The company has elected the FVTOCI irrevocable option for both of these investments. Fair value is determined in the manner described in Para No. AB.

Notes Forming Part of Accounts

Dividends on these investments in equity instruments are recognized in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item.

4) Financial assets at fair value through profit or Loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note T.3 above).

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

5) De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

6) Foreign exchange gain and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

Financial liabilities and equity instrument

1) Classification as debt or equity

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Notes Forming Part of Accounts

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Fair value is determined in the manner described in Para AB.

(ii) Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subse

Notes Forming Part of Accounts

quently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

Hedge Accounting

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note ---. Movements in the hedging reserve in shareholders' equity are shown in Note ---. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

Notes Forming Part of Accounts

w) Borrowings

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 capitalized as part of such assets. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowings costs. All other borrowing costs are charged to revenue.

x) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

y) Dividend:

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

z) Accounting for Derivatives:

The company uses derivative instruments to hedge its exposure to movements in foreign exchange rates, interest rates and currency risks. The objective of these derivative instruments is only to reduce the risk or cost to the company and is not intended for trading or speculation.

aa) Earnings per share:

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

ab) Investment Property:

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Notes Forming Part of Accounts

The cost includes the cost of replacing parts and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The company depreciates building component of investment property over 30 years from the date of original purchase.

Though the company measures investment property using cost based measurement the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

ac) Fair value measurement:

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value resulting general approximation of value, and such value may never actually be realized.

ad) Expenditure on approved Research and Development Programme:

In respect of approved Research and Development Programme expenditure of capital nature is included in Property, Plant and Equipment and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

ae) Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset(or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Notes Forming Part of Accounts

1.2 First-time adoption of Ind-AS

These standalone financial statements of The Andhra Sugars Limited for the year ended 31st March 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing standalone financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 3.2 and 3.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 3.1.1.

1.3 Exemptions availed on first time adoption of Ind AS 101

a) Deemed Cost

For transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment, Investment property and intangible assets are recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date, as there is no change in its functional currency.

b) Leases

For transition to Ind AS, the company has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

c) Investments in subsidiaries and Associates

The company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e., April 1, 2015 in its separate financial statements.

d) Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrecoverable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair Value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

e) Fair value measurement of financial assets or financial liabilities at initial recognition

Company has applied the requirements in Ind As 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

Statement of Changes in Equity for the year ended 31st March 2017

A. Equity share capital
(Rs.in Lakhs)

Particulars	No's	INR
As at 1st April, 2015	271.07	2710.71
Add: Forfeited shares (Amount originally paid up)	0.06	0.30
Changes in equity share capital	271.10	2711.01
	--	--
As at 31st March, 2016	271.10	2711.01
Changes in equity share capital	0.00	0.00
As at 31st March, 2017	271.10	2711.01

B. Other Equity
(Rs.in Lakhs)

Particulars	Share applica- tion money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Other Items of Other Comprehensive Income		Total
			Capital Reserve	Forfeited Deben- tures	Securities Premium Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehen- sive Income	Acturial Gains/ losses	
Balance at the beginning of reporting period-01st April, 2015			45.00	0.30	1,129.40	37,948.30	13,302.47	17,549.55	(38.34)	69,936.68
Profit for the period						4,639.75	4,639.75			4,639.75
Other Comprehensive Income						1,786.38		(7,207.38)	(50.72)	(5,471.72)
Total Comprehensive Income for the year						6,426.13		(7,207.38)	(50.72)	(831.97)
Transfer from General Reserve			(45.00)			1,000.00				(45.00)
Final Dividends										(813.21)
Interim Dividend										(1,355.35)
Dividend Distribution tax										(262.41)
Balance at the end of reporting period - 31st March 2016				0.30	1,129.40	38,948.30	16,297.63	10,342.17	(89.06)	66,628.74
Profit for the period							12,051.05			12,051.05
Other Comprehensive Income							(888.30)			2,741.18
Total Comprehensive Income for the year							11,162.75			14,792.23
Transfer from General Reserve										
Final Dividends										
Interim Dividend										
Dividend Distribution tax										
Balance at the end of reporting period - 31st March 2017				0.30	1,129.40	38,948.30	27,460.38	14,450.24	(567.65)	81,420.97

Notes Forming Part of Accounts

(Rs. in lakhs)

Reconciliation of Equity as previously reported under IGAAP to Ind AS

Particulars	As on 31st March 2016			As on 1st April 2015		
	As per IGAAP	Ind AS Adjustments	As per 'IND AS	As per IGAAP	Ind AS Adjustments	As per 'IND AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	45,770.61	(1,068.12)	44,702.49	45,947.05	(626.28)	45,320.77
Capital Work-in-progress	5,428.96	590.48	6,019.44	1,933.40	590.48	2,523.88
Investment Property	12.08	--	12.08	15.58	--	15.58
Other Intangible Assets	30.69	--	30.69	35.89	--	35.89
Biological Assets other than Bearer Plants						
Financial Assets						
(i) Investments	10,306.23	10,342.22	20,648.45	10,306.12	17,549.55	27,855.67
(ii) Trade Receivables	--	--	--	--	--	--
(iii) Loans	1,500.00	--	1,500.00	1,500.00	--	1,500.00
(iv) Others (to be specified)						
Deferred Tax Assets (Net)						
Other Non-current Assets	4,141.14	--	4,141.14	2,883.61	--	2,883.61
Current assets						
Inventories	29,773.64	(1,129.69)	28,643.95	34,053.78	(1,092.71)	32,961.07
Financial Assets						
(i) Investments						
(ii) Trade Receivables	9,124.89	(49.87)	9,075.02	9,722.45	(60.14)	9,662.31
(iii) Cash and cash equivalents	2,071.85	--	2,071.85	2,458.72	--	2,458.72
(iv) Bank balances other than (iii) above						
(v) Loans						
(vi) Others (to be specified)	179.48	--	179.48	148.39	--	148.39
Current Tax Assets (Net)	7,308.99	(5,515.00)	1,793.99	7,957.33	(6,676.34)	1,280.99
Other Current assets	1,706.10	--	1,706.10	2,038.36	--	2,038.36
Total Assets	117,354.66	3,170.02	120,524.68	119,000.68	9,684.56	128,685.24
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	2,711.01	--	2,711.01	2,711.01	--	2,711.01
Other Equity	56,774.67	9,854.07	66,628.74	52,800.99	17,135.69	69,936.68
Deferred Government Grant	--	1,643.99	1,643.99	--	--	--
LIABILITIES						
Non-current liabilities						
Financial Liabilities						
(i) Borrowings	16,979.85	(1,621.85)	15,358.00	14,936.72	--	14,936.72
(ii) Trade Payables	--	--	--	--	--	--
(iii) Other financial liabilities (Other than those specified in item (b), to be specified)	181.30	--	181.30	148.60	--	148.60
Provisions	394.98	--	394.98	672.24	--	672.24
Deferred Tax Liabilities (Net)	8,605.13	818.81	9,423.95	8,780.89	2,074.43	10,855.32
Other non-current liabilities	6,381.50	(2,010.01)	4,371.49	6,006.35	(2,026.54)	3,979.81
Current liabilities						
Financial Liabilities						
(i) Borrowings	5,903.17	--	5,903.17	13,821.29	--	13,821.29
(ii) Trade payables	1,467.19	--	1,467.19	1,822.97	--	1,822.97
(iii) Other financial liabilities (other than those specified in item (c))	7,711.99	--	7,711.99	4,988.91	--	4,988.91
Other current liabilities	4,022.15	--	4,022.15	4,144.98	--	4,144.98
Provisions	706.72	--	706.72	1,595.73	(929.02)	666.71
Current Tax Liabilities (Net)	5,515.00	(5,515.00)	--	6,570.00	(6,570.00)	--
Total Liabilities	57,868.98	(6,684.06)	51,184.93	63,488.68	(7,451.13)	56,037.55
Total Equity and Liabilities	117,354.66	3,170.02	120,524.68	119,000.68	9,684.56	128,685.24

Reconciliation of Statement of Profit and loss for the year ended 31st March 2016

Particulars	As on 31st March 2016		
	Indian GAAP Balances	Ind AS Adjustments	Ind AS Balance
Revenue from operations(Net)	86,932.29		93,098.30
Other Income	1,768.59	453.63	2,222.22
Total income	88,700.88		95,320.52
Expenses			
Cost of materials consumed	32,294.57		32,294.57
Purchases of Stock-in-Trade			
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	3,473.77		3,473.77
Excise duty		6,166.01	6,166.01
Employee Benefit Expenses	8,203.71	(50.72)	8,152.99
Finance costs	2,300.85	465.17	2,766.02
Depreciation and amortisation expenses	4,310.65	478.82	4,789.47
Power and fuel	17,535.21		17,535.21
Other expenses	12,810.63	(28.18)	12,782.45
Total Expenses	80,929.39		87,960.49
Profit(loss) before exceptional items and tax (I-IV)	7,771.49	(411.46)	7,360.03
Exeptional items			
Profit(loss) before tax (V-VI)	7,771.49		7,360.03
Add: Income tax refund received	90.41		90.41
Tax Expenses			
1. Short/ (Excess) provision of Income Tax of Earlier years	(187.97)		(187.97)
2. Taxation	2,750.00		2,750.00
3. Deferred tax	(175.76)	424.42	248.66
Profit (loss) for the period from continuing operations (VII-VIII)	5,475.63	(835.88)	4,639.75
Profit (loss) for the period (IX+XII)	5,475.63	(835.88)	4,639.75
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			(5,471.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (XIII+XIV) (comprising profit (loss) for the period and other comprehensive income)	5,475.63	(6,307.60)	(831.97)

Notes Forming Part of Accounts

Notes to Reconciliation

(a) Property, Plant and equipment

Adjustments includes impact of spares capitalisation, life expired assets and application of component accounting as per Ind AS.

(b) Capital-work-in-Progress

Adjustments reflect the amount of spares transferred to capital work-in-progress.

(c) Investments

Investments in National Savings Certificates are carried at amortised cost under Ind AS. Investments in Equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

(d) Inventories

Adjustments that reflect spares capitalised to Property, Plant and Equipment and Capital work-in-progress.

(e) Trade Receivables

Adjustments that include loss allowance provided on financial asset i.e., Trade receivables.

(f) Other Equity

Adjustments to retained earnings and other comprehensive income has been made with Ind AS, for the above mentioned items. In addition, as per Ind AS-19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

(g) Borrowings

Adjustments include effect due to recognition of Government grant from Interest free Loans and Benefits received from Government earlier recognized under Borrowings.

(h) Deferred Tax Liabilities

The adjustments include recognition of Deferred Tax on investments under Ind AS and due to Deferred Tax impact on Ind AS adjustments.

(i) Other Non-Current Liabilities

Adjustment include the impact of discounting of Liabilities based on their expected date of settlement.

(j) Other Income

Adjustments include Amortization of Government Grant recognized in accordance with Ind AS-20-"Government Grants" and due to fair value change of investments classified as Fair value through Profit and Loss.

(k) Employee benefit expenses

As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in subsequent period.

(l) Finance Cost

Adjustments include notional interest charged on Interest free Loans and Benefits received from Government and due to discounting impact of Liabilities measured at Fair value

(m) Depreciation and Amortization expenses

Adjustments are due to Ind AS impacts made to Property, Plant and Equipment, i.e., Depreciation on Spares Capitalized, Change in Depreciation due to application of Component Accounting as per Ind AS.

(n) Other Expenses

Adjustment is due to change in provision for Loss allowance on Financial Assets (trade receivables).

(o) Deferred Tax

Adjustment include Deferred Tax changes due to above mentioned adjustments.

Notes Forming Part of Accounts

PROPERTY, PLANT AND EQUIPMENT SCHEDULE

Note - 2

(Rs.in Lakhs)

Description	Deemed Cost as on 01.04.15	Additions 2015-16	Disposal 2015-16	Gross cost 31.03.2016	Dep.for 2015-16	Dep. upto 31.03.2016	WDV 31.03.2016
Land	3494.18	40.98	0	3535.16	0	0	3535.16
Buildings	3197.58	709.55	0.16	3906.97	227.77	222.77	3679.20
Plant & Machinery	36896.92	1118.69	1.19	38014.42	3850.05	3850.05	34164.37
Transport Equipment	1548.52	2266.56	5.62	3809.46	604.90	604.90	3204.56
Furniture & Fittings	183.57	36.07	0.32	219.32	100.12	100.12	119.20
	45320.77	4171.85	7.29	49485.33	4782.84	4782.84	44702.49

Depreciation includes depreciation capitalised to the extent of Rs.205727/- relating to year 2015-16 respectively.

Note - 2.1

Intangible Assets	35.89	0	0	35.89	5.20	5.20	30.69
Investment Property	15.58	0	0	15.58	3.50	3.50	12.08

Note - 2

Description	Gross cost 31.03.16	Additions 2016-17	Disposal 2016-17	Gross cost 31.03.17	Dep.for 16-17	Dep. upto 31.03.17	WDV 31.03.17
Land	3535.16	257.41	0	3792.57	0	0	3792.57
Buildings	3906.97	1304.01	0	5210.98	215.29	443.06	4767.92
Plant & Machinery	38014.42	17543.43	0.08	55557.77	3626.54	7476.59	48081.19
Transport Equipment	3809.46	412.46	0.80	4221.12	515.51	1120.41	3100.71
Furniture & Fittings	219.32	56.90	0.08	276.14	58.1	158.22	117.92
Total	49485.33	19574.21	0.96	69058.58	4415.44	9198.28	59860.31

Depreciation includes depreciation capitalised to the extent Rs.283763/- for 2016-17 respectively.

Note - 2.1

Intangible Assets	35.89	0	0	35.89	5.20	10.40	25.49
Investment Property	15.58	0	0	15.58	2.63	6.13	9.45

Notes Forming Part of Accounts

Note -3

(Rs.in Lakhs)

Non-Current Investments	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade Investments -Quoted			
Investment in Subsidiary			
48,86,500 (31st March 2016: 48,86,500) fully paid Equity shares of Rs.10/- each in JOCIL LTD.	441.79	441.79	441.79
Investments in Associate			
2,80,86,613 (31st March 2016: 2,80,86,613) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	3660.56	3660.56	3660.56
Investments in Other Companies			
25,052 (31st March 2016: 25,052)fully paid equity shares of Rs.10/- each in Andhra Bank	14.52	13.10	19.80
Trade Investments -Unquoted			
Investment in Subsidiaries			
3,28,760 (31st March 2016: 3,28,760) partly paid Equity shares of Rs.10/- each (Rs.2.50 per share paid up) in Hindustan Allied Chemicals Ltd.,(Unquoted)	2.74	2.74	2.74
3,45,700 (31st March 2016: 3,45,700) fully paid Equity shares of Rs.10/- each in The Andhra Farm Chemicals Corpn.Ltd.,(un quoted)	34.57	34.57	34.57
Investments in Other Companies			
a) '1,15,40,080 (31st March 2016: 1,10,04,080) fully paid Equity Shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd., (Unquoted)	21530.33	16423.59	23609.26
b) '1,40,000 (31st March 2016: 1,40,000) fully paid Equity Shares of Rs.10/-each in Sree Akkamamba Textiles Ltd.,	70.00	70.00	84.00
Other Investments			
1391 (31st March 2016: 1391)Equity Shares of Rs.10/- each, fully paid up in Indian Bank (Quoted)	3.87	1.46	2.41
Investments in Govt Securities:			
National Plan Saving Certificates			
(lodged with Govt.Departments towards security)	0.64	0.64	0.54
	25759.02	20648.45	27855.67

All the above investments are long term investments.

Aggregate Amount of unquoted investments

21568.28 16461.54 23647.11

Aggregate Amount of quoted investments

4190.74 4186.91 4208.56

25759.02 20648.45 27855.67

Aggregate Market value of quoted investments

15138.76 11136.88 8368.56

Details of material associates

Name of the associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights		
			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
The Andhra Petrochemicals Limited	Manufacturers of Oxo Alcohols	India	33.05	33.05	33.05

Pursuant to a shareholding agreement, the company has the right to cast 33.05% of the votes at shareholders meeting of The Andhra Petrochemicals Ltd.

Notes Forming Part of Accounts

Details of material Subsidiaries

(Rs. in Lakhs)

Name of the Subsidiaries	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights		
			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Jocil Limited	Manufacturers of Fatty acids & Generation of Power	India	55.03	55.03	55.03
The Andhra Farm Chemicals Corporation Limited	Manufacturers of Hydrogen Hydrite	India	76.83	76.83	76.83
Hindustan Allied Chemicals Limited	NIL	India	77.36	77.36	77.36

Note -3.1

Current Investments	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment in Liquid / Debt Mutual Funds	Amount	Amount	Amount
HDFC Mutual Fund	505.40	----	----
Birla Sun Life Mutual Fund	3310.22	----	----
Reliance Mutual Fund	3022.41	----	----
ICICI Mutual Fund	1855.76	----	----
UTI Mutual Fund	446.69	----	----
L & T Mutual Fund	336.85	----	----
Axis Mutual Fund	500.14	----	----
TOTAL	9977.47	0.00	0.00

Category wise investments- as per Ind AS 109 classification

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets carried at fair value through profit or loss(FVTPL) Mandatorily measured at FVTPL	9980.57	5.11	5.24
Financial assets carried at amortised cost Debt/equity instrument	27146.23	19785.98	19809.13
Financial assets measured at FVTOCI Debt/equity instrument	25805.50	20825.49	29058.70
Total	62932.31	40616.58	48873.07

Reasons for classification of financial assets as per Ind AS 107:

- (a) The company has classified all the current investments under fair value through profit or loss as they are held for trading.
- (b) For Non current investments which are not held primarily for trading, the company has elected an irrevocable option of classifying them as fair value through other comprehensive income.
- (c) Accounting for investments in Subsidiaries and Associates are mentioned in policy J of note:1.1

Notes Forming Part of Accounts

Note -4

(Rs. in Lakhs)

Loans and advances (Related Parties)	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans and advances to Associate (The Andhra Petrochemicals Ltd.) (Unsecured, considered good)	4000.00	1500.00	1500.00	0.00	0.00	0.00
Total	4000.00	1500.00	1500.00	0.00	0.00	0.00

Note -5

Other Financial Assets	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current bank balances [A]	0	0		0.00	0	0
Unamortized expenditure (B)	0	0		0.00	0	0
Others Interest accrued on Deposits Interest accrued on investments Others [C]	0	0		194.60	179.48	148.39
Total [A+B+C]	0	0		194.60	179.48	148.39

Note -6

Current Tax Assets (Net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current Tax Assets			
Advance payment of Direct Taxes	9354.23	6824.33	7717.04
Income Tax deducted at source	175.81	144.44	132.99
Income Tax Refund Receivable	0.96	340.22	0.96
	9531.00	7308.99	7850.99
Less: Current Tax Liabilities			
Provision for Wealth tax	10.00	10.00	15.00
Provision for Income tax	8842.99	5505.00	6555.00
	8852.99	5515.00	6570.00
Current tax Asset/(liability)net	678.01	1793.99	1280.99

Notes Forming Part of Accounts

Note -7

(Rs. in Lakhs)

Other Current Assets	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances						
Secured, considered good						
Unsecured, considered good	1084.74	1899.94	1719.64			
(A)	1084.74	1899.94	1719.64	0.00	0	
Security Deposit						
Secured, considered good						
Unsecured, considered good	2207.26	2224.29	1150.88	74.83	82.33	84.87
Doubtful						
Provision for doubtful security deposit	2207.26	2224.29	1150.88	74.83	82.33	84.87
(B)	2207.26	2224.29	1150.88	74.83	82.33	84.87
Advances recoverable in cash or Kind						
Secured, considered good						
Unsecured, considered good				1933.28	918.74	1432.03
Doubtful				20.62	20.62	20.62
Secured, considered good				1953.90	939.36	1452.65
Provision for doubtful advances				20.62	20.62	20.62
(C)	0	0	0	1933.28	918.74	1432.03
Other Loans and Advances						
Excise Duty paid in advance (including CENVAT credit pending utilisation)				949.14	508.89	345.65
Advance payment of Direct Taxes						
Income Tax deducted at source						
Income Tax Refund Receivable						
Prepaid expenses	13.87	16.91	13.09	207.30	190.26	173.83
Balances with statutory/ government authorities				5.88	5.88	1.98
(D)	13.87	16.91	13.09	1162.32	705.03	521.46
Total [A+B+C+D]	3305.87	4141.14	2883.61	3170.43	1706.10	2038.36

The Andhra Sugars Limited

Notes Forming Part of Accounts

Note -8

(Rs.in Lakhs)

Inventories (valued at lower of cost and net realizable value)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw materials and components at Cost	2972.47	1940.13	2363.76
Work-in-progress			
: At Cost	353.14	230.75	235.81
: At Estimated Realisable Value	18.72	38.95	125.36
Finished goods			
: At Cost	12293.27	13698.90	2559.80
: At Estimated Realisable Value	5514.11	9338.33	23859.73
Stores and spares at Cost (includes in transit Rs.25.23 lakhs) (31 March 2016: Rs .19.49 Lakhs)	3491.27	3334.55	3752.80
Loose tools	35.61	36.53	38.79
Others	23.37	25.81	25.02
Total	24701.96	28643.95	32961.07

The cost of inventories recognized as an expense during the year in respect of continuing operations was Rs.2.96 lakhs for the year ended 31st March 2017 and Rs.0.37 lakhs for the year ended 31st March 2016

The mode of valuation of inventories has been stated in note "K" in significant accounting policies

Amount of goods in transit is Rs.25.23 lakhs.

Note -9

Trade receivables	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good	--	--	--	46.29	33.50	33.50
Unsecured, considered good						
Less than 6 Months from the due date for Payment:	--	--	--	8728.92	8690.21	9454.37
More than 6 Months from the due date for Payment:	--	--	--	636.87	401.18	234.58
Doubtful	--	--	--	156.90	156.90	10.02
Provision for doubtful receivables	--	--	--	9568.98	9281.79	9732.47
				156.90	156.90	10.02
Provision for Loss allowance	--	--	--	9412.08	9124.89	9722.45
				22.33	49.87	60.14
				22.33	50.00	60.14
Total	--	--	--	9389.75	9075.02	9662.31

Notes Forming Part of Accounts

Ageing	Expected credit loss %
Within the credit period	Nil
Upto 60 days past due	0.25
60-90 days past due	0.5
more than 90 days past due	1

(Rs. in Lakhs)

Age of receivables	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Less than 6 months	8775.20	636.87	9487.87
More than 6 Months	636.87	401.18	234.58

Note -10

Cash and bank balances	Non-Current			Current		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and Cash Equivalents :						
Balances with Banks:						
On current accounts	--	--	--	875.06	703.26	756.86
Cheques/drafts on hand	--	--	--	130.05	273.75	296.53
Cash on hand	--	--	--	60.22	14.82	17.94
	--	--	--	1065.33	991.83	1071.33
Other Bank Balances :						
For more than 3 months but less than 12 months	--	--	--	5.60	123.60	198.98
On unpaid dividend account under The Companies Act 2013)	--	--	--	98.28	91.27	94.37
Margin money deposit	--	--	--	1419.94	587.19	820.44
	--	--	--	215.88	277.96	273.60
				1739.70	1080.02	1387.39
Total	--	--	--	2805.03	2071.85	2458.72

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank notes	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	12.75	8.38	21.13
Add: Permitted receipts	6.21	147.42	153.62
Less: Permitted payments	5.42	131.14	136.56
Less: Amount deposited in banks	13.53	1.75	15.28
Closing cash in hand as on 30.12.2016	--	22.91	22.91

Notes Forming Part of Accounts

(Rs.in Lakhs)

Note -11

Share Capital	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Authorised Shares :			
28750000 (31st March 2016: 28750000) Equity shares of Rs.10/- each	2875.00	2875.00	2875.00
30000(31st March 2016:30000) 9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each.	30.00	30.00	30.00
95000 (31st March 2016:95000) 9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	95.00	95.00	95.00
Total	3000.00	3000.00	3000.00
Issued Shares :			
27113091 (31st March 2016: 27113091) Equity shares of Rs. 10 /- each	2711.31	2711.31	2711.31
Total	2711.31	2711.31	2711.31
Subscribed and fully paid-up shares :			
27107078 (31st March 2016: 27107078) Equity shares of Rs.10/- each fully paid up	2710.71	2710.71	2710.71
Forfeited amount on 6013 shares of Rs.10/-each, Rs.5/-paid up	0.30	0.30	0.30
Total Subscribed and fully paid-up capital	2711.01	2711.01	2711.01

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	At 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No.	Rs.	No.	Rs.	No.	Rs.
Equity Shares						
At the beginning of the period	271.07	2710.71	271.07	2710.71	271.07	2710.71
Add: Fresh Issue during the year	-	-	0.00	-	-	-
Less: Buy Back of Shares during the year	-	-	0.00	-	-	-
Outstanding at the end of the period	271.07	2710.71	271.07	2710.71	271.07	2710.71

b. Shareholders holding more than 5% shares	As At 31st March 2017	As At 31st March 2016	1st April 2015
Details of shareholders holding more than 5% shares in the company	Nil	Nil	Nil

C) Rights, Preference and restrictions attached to Equity shares

- 1) The Company has only one class of Equity shares having a face value of Rs 10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.
- 2) The financial statements of the company were approved by Board of Directors on 27-05-2017.

Notes Forming Part of Accounts

Note -12

OTHER EQUITY

(Rs.in Lakhs)

RESERVES AND SURPLUS	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Capital Reserves			
Capital investment subsidy	0.00	0.00	45.00
Forfeited Debentures *	0.30	0.30	0.30
Securities Premium Account	1129.40	1129.40	1129.40
Actuarial Gain or Losses	(567.65)	(89.06)	(38.34)
Investment revaluation reserve	14450.24	10342.17	17549.55
General Reserve			
Balance as per the last Financial Statements	38948.30	37948.30	39212.74
less:IND AS adjustment reserve			(1,304.54)
Less: Amount Withdrawn During the Year			(259.90)
Add : Amount transferred from Surplus Balance in the Statement of Profit And Loss	2000.00	1000.00	300.00
Closing Balance	40948.30	38948.30	37948.30
Surplus/(Deficit) In The Statement of Profit And Loss			
Balance as per the last Financial Statements	16297.63	13302.47	13264.87
Profit for the year	12051.05	4639.75	337.60
Other Comprehensive Income	(888.30)	1786.38	
	27,460.38	19728.60	13602.47
Less : Appropriations			
Interim Equity Dividend		1355.35	
Final Equity Dividend		813.21	
Tax on Distributed Profits		262.41	
Transfer to General Reserve	2000.00	1000.00	300.00
Total Appropriations	2000.00	3430.97	300.00
Net Surplus In Statement of Profit And Loss	25460.38	16297.63	13302.47
Total Reserves And Surplus Taken To Balance Sheet	81420.97	66628.74	69936.68

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

General reserve : The general reserve is used from time to time profits from retained earnings for appropriation purposes

Fair value reserve : This reserve represents the cumulative gain or loss arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

NOTE:

- 1) The amount that can be distributed by the company as dividends to equity shareholders is determined based on separate financial statements and as per the requirements of companies Act 2013.
- 2) In respect of the year ended March 31,2017 the directors propose that a dividend of Rs. 10 per share shall be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting .The proposed equity dividend is payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.2711.01 Lakhs

Notes Forming Part of Accounts

Note -13

(Rs. in Lakhs)

LONG TERM BORROWINGS:	13.1 Non-Current portion			13.2 Current maturities		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Term Loans						
Term loan for 3 MW Solar Power Plant from Andhra Bank (secured)	--	110.58	610.77	--	500.14	500.14
Term loan for Rail Tanker Wagons from SBH (secured)	238.67	752.00	--	513.33	513.33	0.00
Interest Subvention Loan from Andhra Bank (Secured)	466.33	1017.40	2071.61	731.33	731.33	121.86
33 MW Power Plant Term Loan from Andhra Bank (Secured)	6250.04	--	--	892.88	--	--
33 MW Power Plant Term Loan from Axis Bank (Secured)	2499.91	--	--	357.14	--	--
	9454.95	1879.98	2682.38	2494.68	1744.80	622.00
Other Loans and advances:						
Deferred Sales Tax Loan (Unsecured)	2121.50	2155.12	3706.99	--	--	--
Deposits (unsecured)						
Deposits from Directors/ Related Parties	9157.25	9441.45	6951.40	4187.30	2588.35	2428.25
Others	2475.40	1799.95	1506.70	545.15	962.65	812.55
Deposits from Hindustan Allied Chemicals Ltd (Subsidiary)	--	81.50	89.25	--	60.75	9.00
	13754.15	13478.02	12254.34	4732.45	3611.75	3249.80
Total Amount	23209.10	15358.00	14936.72	7227.13	5356.55	3871.80
The above amount includes						
Secured borrowings	9454.95	1879.98	2682.38	2494.68	1744.80	622.00
Unsecured borrowings	13754.15	13478.02	12254.34	4732.45	3611.75	3249.80
Amount disclosed under the head " Other current liabilities "	--	--	--	7227.13	5356.55	3871.80
Net Amount	23209.10	15358.00	14936.72	0.00	0.00	0.00

Notes Forming Part of Accounts

Term Loans as at 31st March 2017 From Banks Comprises of :

(Rs.in Lakhs)

Particulars	Interest Subvention Loan	Rail Tanker Wagons Loan	33 MW Term Loan	33 MW Term Loan
a) Loan Sanctioned	Rs.2194.00	Rs.1540.00	Rs.10000.00	Rs.4000.00
b) Loan Availed	Rs.2193.47	Rs. 1522.00	Rs. 7142.92	Rs.2857.05
c) No. of Installments	36 Monthly Installments after 2 years Moratorium Period.	12 Quarterly	32 Quarterly	32 Quarterly
d) Installments Commencing from	Feb, 2016	Oct, 2015	June, 2017	June, 2017
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+ 1.35% p.a.	Base Rate+0.40 % (Spread)+.50% (Temp per EQI)p.a.	Base Rate+ 1.15% p.a.
f) Installment Amount	Rs.60.95	Rs. 128.33	Rs. 223.22	Rs. 89.29
g) Lending Bank	Andhra Bank	State Bank of Hyderabad	Andhra Bank	Axis Bank
h) Security	Pari Passu Second Charge on Fixed Assets of the Company	Exclusive First Charge on Assets created out of the loan	Pari Passu First Charge by way of Hypothecation Movable and Immovable	Pari Passu First Charge by way of Hypothecation Movable and Immovable Assets

Note on undrawn borrowing facilities:

The company have been sanctioned with an aggregate term loan of Rs.14000 lakhs i.e;Rs.10000 lakhs from Andhra Bank & Rs.4000 lakhs from Axis Bank. The company have availed the loan amount so far to the extent of Rs.7,143 lakhs from Andhra Bank & RS.2,857 lakhs from Axis Bank. Keeping in view financial strength of the company the management has decided to not to utilise the undrawn sanctioned amount i.e;Rs.4000 lakhs. The same has been informed to the lenders.

Carrying value of Assets Pledged

Particulars	Rail tanker wagons			33 MW power plant		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Railway tank wagon	2082.01	2176.34	2201.00	Nil	Nil	Nil
Land	nil	nil	nil	55.18	20.06	nil
Buildings	nil	nil	nil	1085.31	nil	nil
Plant and Machinery	nil	nil	nil	17081.17	nil	nil
Furniture and Fixtures	nil	nil	nil	13.34	nil	nil

Notes Forming Part of Accounts

Note -14

(Rs.in Lakhs)

BORROWINGS	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Cash credit from Banks (Secured)-1	3474.24	4337.11	12697.97
Foreign currency loan from banks-		1331.82	963.62
Buyers Credit (secured)			
Deposits (unsecured)			
Deposits from Directors/Related Parties (Refer Note No. 41)	10.00	30.00	26.00
from Others	13.15	12.60	5.40
Loans From Directors	124.64	191.64	128.30
	3622.03	5903.17	13821.29
The above amount includes			
Secured borrowings	3474.24	5668.93	13661.59
Unsecured borrowings	147.79	234.24	159.70

a) Cash Credit is Secured by Hypothecation of inventories and receivables, and colleterally 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,3 MW Solar Plant at Kovvur,ISRO Plants and 33 MW Power Plant assets, ranking pari passu among the members of the consortium of working capital lending banks.

b) Foreign Currency Exposure hedged by derivative Instruments as on 31st March 2017 Nil and as on 31.03.2016 is Rs.686.60 Lakhs.

Particulars of Inventories and Receivables for Security	Cash Credit		
	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Trade recievables	24701.96	28643.95	32961.07
Inventories	9389.75	9075.02	9662.31

Note -15

Other long term financial liabilities	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Trade Deposits	186.11	164.39	131.04
Staff Security Deposit	11.40	16.91	17.56
Total	197.51	181.30	148.60

Particulars	As At 31st March 2017	As At 31st March 2016	As at 1st April 2015
Financial liabilities at amortised cost	38781.77	27449.13	29939.89
Financial liabilities carried at fair value through profit or loss	2587.83	3172.52	5778.60
Total	41369.60	30621.65	35718.49

Notes Forming Part of Accounts

Note -16

(Rs. in Lakhs)

PROVISIONS	Long Term			Short Term		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits:						
Provision for Gratuity	262.63	131.62	452.93	36.08	311.66	306.17
Provision for leave benefits	415.17	263.36	219.31	628.76	395.06	360.54
	677.80	394.98	672.24	664.84	706.72	666.71

1) Statement of additions, write off and payments closing as per ind as 37-para 84 a-e

Provisions	Employment benefits	Income tax	Wealth tax
Balance at 01st April 2016	1101.7	5505.00	10.00
Additional provisions recognized	240.94	3337.99	-
Reductions arising from payments			
Balance at March 31st 2017	1342.64	8842.99	10.00

Note -17

OTHER NON-CURRENT LIABILITIES:	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Others			
Outstanding Liabilities for Others	4111.26	4371.49	3979.81
Total	4111.26	4371.49	3979.81

Note -17.1

Deferred Government Grant	As at 31st March, 2017	As at 31st March, 2016
Interest Subvention loan	142.58	322.84
Deferred sales tax loan	1061.94	1299.00
Ramagiri unit(capital subsidy)	-	8.33
Caustic soda-Saggonda unit (capital subsidy)	7.65	13.82
Total	1212.17	1643.99

Notes Forming Part of Accounts

Note -18

(Rs.in Lakhs)

Financial Liabilities:	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
18.1 Trade payables			
Due to Micro & Small Enterprises	0.00	1.55	8.61
Due to Others	3886.47	1465.64	1814.36
	3886.47	1467.19	1822.97
18.2 Other financial Liabilities: (Current)			
Current maturities of long Term Borrowings (Refer Note No. 13.2)	7227.13	5356.55	3871.80
Interest accrued but not due on Borrowings	411.38	374.46	324.31
Unclaimed Dividend	98.28	91.27	94.37
Unclaimed matured deposits And interest accrued thereon	48.60	59.59	33.16
Accrued Salaries and Benefits	1218.27	1175.39	648.83
Directors Remuneration Payable (Refer Note No. 13.1)	1472.12	647.91	9.17
Staff Security Deposits	10.37	6.82	7.27
	10486.15	7711.99	4988.91
	14372.62	9179.18	6811.88

Due to Small and Medium Enterprises	2017	2016	2015
a) Principal amount and interest due thereon remaining period	0.01	1.55	8.61
b) Interest paid in terms of section 16 of MSMED Act	0.01	0.06	0.06
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	0.00	0.00	0.06
d) Interest accrued and remaining unpaid at the end of the year	0.01	0.01	0.06

Note -19

Other current liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance from Customers	311.85	191.67	197.37
Statutory Dues	1165.82	1612.79	1307.90
Others	2045.66	2217.69	2639.71
	3523.33	4022.15	4144.98

Notes Forming Part of Accounts

Note -20

(Rs.in Lakhs)

Deferred Tax Liability (Net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred Tax Liability			
Deferred tax liability on PPE	11117.98	8948.10	9514.78
On legal cases discounting	705.11	695.83	–
On current investments	54.97	–	–
On Non-current Investments	1499.61	611.31	2397.67
Gross Deferred Tax Liability	13377.67	10255.24	11912.45
Deferred Tax Asset			
Mat Credit	1553.48	–	106.34
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	861.85	770.21	799.61
Provision for doubtful debts and advances	69.17	61.08	10.60
Unabsorbed Losses for Assessment Year 2015-16	–	–	140.58
Gross Deferred tax asset	2484.50	831.29	1057.13
Net Deferred Tax Liability	10893.17	9423.95	10855.32

Details of Deferred tax for the year 2016-17

DEFERRED TAX (LIABILITIES) /ASSETS IN RELATION TO:	Opening balance	Recognised in profit/loss	Recognised in other comprehensive income	Closing balance
Investments	(611.31)	–	(888.30)	(1499.61)
Property, Plant and Equipment	(8948.10)	(2169.87)	–	(11117.98)
Financial Assets (Current Investments)	–	(54.97)	–	(54.97)
Legal cases	(695.83)	(9.27)	–	(705.11)
Provision for doubtful debts	61.08	0.36	–	61.44
Expected credit loss	–	7.73	–	7.73
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	770.21	91.64	–	861.85
MAT Credit	–	–	–	1553.48
Others	–	–	–	–

Notes Forming Part of Accounts

Details of Deferred tax for the year 2015-16

(Rs.in Lakhs)

Deferred tax (liabilities) / assets in relation to:	Opening balance	Recognised in profit/loss	Recognised in other comprehensive income	Closing balance
Investments	(2397.67)	-	1786.36	(611.31)
Property, Plant and Equipment	(9514.78)	566.67	-	(8948.10)
Legal cases	-	(695.83)	-	(695.83)
Provison for doubtful debts	10.60	50.48	-	61.08
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	799.61	(29.40)	-	770.21
MAT Credit	106.34	-	-	-
Unabsorbed Losses	140.58	(140.58)	-	-

Note -21

Revenue from Operations	This Year	Previous Year
Sale of products:		
Finished goods	95650.08	91614.43
Other operating revenue		
Freight and Sales Expenses Recovered	1014.43	772.31
Subsidy Received on Superphosphate Sales	535.28	707.80
Processing and Job Work income	0.19	3.76
Revenue from operations (gross)	97199.98	93098.30

Note -21.1

Details of Products Sold	This Year	Previous Year
Finished goods sold		
Sugar	22652.45	23854.08
Industrial Alcohol & Ethanol	2233.60	3283.48
Acetic Acid	135.49	97.33
Acetic Anhydride	12.41	294.53
Aspirin	4202.37	2495.44
Caustic Soda	37002.41	33145.61
Caustic Potash	3554.03	4950.12
Chlorine	936.68	699.93
Hydrochloric Acid	4395.36	3142.96
Sodium Hypochlorite	3254.67	3164.22
Hydrogen gas	884.69	1021.74
Sulphuric Acid	5545.02	6703.72
Superphosphate	1296.20	1265.62
UH25	2018.84	1329.97
Mono Methyl Hydrazine	686.57	647.90
HTPB	934.51	828.93
Wind Power	1012.65	561.67
Cattle Feed	934.94	872.49
Potassium carbonate	940.49	1102.60
Poly Aluminium Chloride	799.31	574.94
Liquid Hydrogen	995.58	772.85
Others	1221.81	804.30
	95650.08	91614.43

Notes Forming Part of Accounts

Note -22

(Rs. in Lakhs)

Other Income	This Year	Previous Year
Interest Income on		
Bank deposits	121.39	144.58
Inter Corporate Loan to Associate (The Andhra Petrochemicals Ltd.)	393.70	195.00
Inter Corporate Loan to Associate (JOCIL Ltd.)	27.39	--
Others	240.87	234.25
Dividend income on		
Investments in Subsidiary (Jocil Ltd.)	--	635.25
Long-Term Investments	2.95	3.36
Government Grant		
Ramgiri	8.33	16.67
Saggonda	6.18	6.18
Interest Subvention Loan A/C	180.26	210.06
Deferred Sales Tax Loan A/C	237.06	238.63
Rent received	45.70	60.37
Net gain on Sale of Current Investments	152.49	170.66
Gain on revaluation of Current Investments	158.84	--
Net gain on Sale of Assets	1.22	5.29
Other non-operating income #	590.67	301.92
	2167.05	2222.22

# Other Non-operating Income includes :	This Year	Previous Year
Excess Provision In Earlier Years Credited Back	5.32	16.47
Claims Received	42.82	127.13
Income Not Relating to This year	16.62	0.48
Refund of Cross Subsidy from APEPDCL for 2015-16	361.08	--
Misc. Scrap Sales	53.17	46.21
Excise Duty Recovery-Scrap Sale	2.54	0.60
Other Misc. Receipts	109.12	111.03
Total	590.67	301.92

Note -23

Cost of Raw material consumed	This Year	Previous Year
Inventory at the beginning of the year	1940.12	2363.75
Add: Purchases	25561.52	31870.94
	27501.64	34234.69
Less: Inventory at the end of the year	2972.46	1940.12
Cost of Raw Material Consumed	24529.18	32294.57

Details of Raw material consumed	This Year	Previous Year
Sugarcane	11684.21	16028.19
Phenol	710.54	544.72
Sulphur	2882.98	5162.20
Rockphosphate	365.40	1433.11
Salt	3669.47	3464.48
Potassium Chloride	1689.98	2707.73
Alumina Hydride	481.24	315.29
Extractions for Cattle feed	552.73	530.44
Other Rawmaterials	2492.63	2108.41
Total	24529.18	32294.57

Notes Forming Part of Accounts

(Rs. in Lakhs)

Details of Inventory	This Year	Previous Year
Raw Materials		
Phenol	32.10	48.35
Sulphur	904.21	828.25
Rockphosphate	875.87	262.94
Salt	114.50	111.90
Potassium Chloride	501.18	296.74
Alumina Hydride	66.82	79.01
Extractions for Cattle feed	232.58	211.22
Other Rawmaterials	245.20	101.71
Total	2972.46	1940.12

Note -24

(Increase)/ Decrease in Inventories	This Year	Previous Year	(Increase)/ Decrease
Inventories at the End of the year			2016-2017
Work in Progress	371.86	269.70	(102.16)
Finished Goods	17807.38	23037.23	5229.85
	18179.24	23306.93	5127.69
Inventories at the Beginning of the year			2015-2016
Work in Progress	269.70	361.17	91.47
Finished Goods	23037.23	26419.53	3382.30
	23306.93	26780.70	3473.77

Details of Inventory	This Year	Previous Year
Work-in-progress		
Sugar	74.55	58.34
Molasses	2.12	1.95
Sulphuric Acid	28.00	47.37
Caustic Potash	32.18	31.17
Caustic Soda	14.05	6.14
Aspirin	165.82	85.81
Potassium Carbonate	4.78	5.02
Others	50.36	33.90
Total	371.86	269.70
Finished goods		
Sugar	13984.87	17933.43
Molasses	1297.62	1376.30
Sulphuric Acid	53.49	113.85
Superphosphate	655.06	1642.06
Caustic Soda	293.88	234.29
Caustic Potash	471.73	629.37
Chlorine	6.92	5.47
Sodium Hypochlorite	3.79	3.27
Hydrochloric acid	14.68	12.04
Industrial Alcohol& Ethanol	306.81	66.41
Aspirin	323.23	224.05
Organic Diervatives ofhydrzine or of hydroxyl amine	63.53	33.41
HTPB	19.49	16.33
Hydrogen Gas	1.03	1.01
Potassium Carbonate	122.49	265.90
Poly Aluminium Chloride	25.97	18.87
Others	162.79	461.17
Total	17807.38	23037.23

Notes Forming Part of Accounts

Note -25

(Rs.in Lakhs)

Employee Benefit Expense	This Year	Previous Year
Salaries, Wages and Bonus	7947.57	6879.81
Contribution to Provident and other fund	712.32	707.26
Gratuity Expense	192.58	227.38
Staff Welfare Expenses	360.37	338.54
Total	9212.84	8152.99

Defined benefit plans :

The following table set out the funded status of the Gratuity Plans(funded) and compensated absences(unfunded) the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016:

PARTICULARS	Gratuity		Compensated absences	
	As at		As at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Change in benefit obligations				
Benefit obligations at the beginning	2824.22	2824.98	552.13	485.12
service cost	552.20	176.28	33.18	7.69
Interest expenses	225.94	226.00	36.75	31.79
Curtailment (gains)/losses				
Transfer of obligation (net)				
Remeasurements - Actuarial (gains)/losses	48.30	(152.42)	425.34	203.14
Benefits paid	(302.19)	(255.69)	(161.92)	(175.60)
Benefit obligations at the end	3348.46	2819.15	885.48	552.13

Change in plan assets	Gratuity	
Particulars	As at	
	31st March 2017	31st March 2016
Fair value of plan assets at the beginning of the year	2375.86	2065.89
Interest income	190.07	174.89
Transfer of assets (net)		
Remeasurements - Return on plan assets excluding amounts included in interest income	4.96	
Contributions	395.49	390.77
Benefits paid	(302.19)	(255.69)
Fair value of plan assets at the end	2,664.18	2,375.86
Funded status surplus/(deficit)		

Notes Forming Part of Accounts

Amount recognised in Balance Sheet

(Rs. in Lakhs)

PARTICULARS	Gratuity		Compensated absences	
	As at		As at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Present value of obligation at the end of the period	3348.46	2819.14	885.48	552.13
Fair value of plan assets at the end of the period	2664.18	2375.86	–	–
Net (liability)/asset recognised in Balance Sheet	684.29	443.28	885.48	552.13

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of Profit and Loss under employee benefit expenses head.

PARTICULARS	Gratuity		Compensated absences	
	As at		As at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Service cost	552.20	176.28	33.18	7.69
Net interest on the net benefit liability/asset	35.87	226.00	36.75	31.79
Expected contributions by employees	(395.49)	–	–	–
Return on plan assets	–	(174.89)	–	–
Net expense recognised	192.58	227.39	69.93	39.48

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

PARTICULARS	Gratuity		Compensated absences	
	Year ended		As at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Actuarial (gain)/losses on obligations for the period	48.30	(152.42)	425.34	203.14
Return on plan assets, excluding interest income	4.96	–	–	–
Net (income)/expenses for the period recognised in OCI	53.25	(152.42)	425.34	203.14

Assumptions

PARTICULARS	Gratuity		Compensated absences	
	Year ended		As at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Expected return on plan assets	7.22%	8.35%	Nil	Nil
Rate of discounting	7.22%	8.00%	7.50%	7.80%
Rate of salary increase	7.00%	8.00%	10.00%	7.00%
Rate of employee turnover	10.00%	4.00%	2.00%	2.00%

Notes Forming Part of Accounts

Note -26

(Rs.in Lakhs)

Depreciation and Amortization Expense	This Year	Previous Year
Depreciation of Tangible assets	4415.23	4784.27
Amortization of Intangible Assets	5.20	5.20
Total	4420.43	4789.47

Note -27

Finance Costs	This Year	Previous Year
Interest	2736.06	2678.09
Less:- Capitalisation cost	354.05	82.87
Total Interest	2382.01	2595.22
Diff in Exchange treated as Finance Cost	5.26	105.23
Other Borrowing Costs	43.18	65.57
Total	2430.45	2766.02

Note -28

Other Expenses	This Year	Previous Year
Consumption of Stores and Spares	1521.01	1705.64
Increase/(Decrease) of Excise Duty on Inventory	(453.70)	347.09
Insurance	138.72	139.66
Sugarcane Development Expenses	105.55	79.58
Rent	55.24	43.26
Rates and Taxes	471.07	618.60
Repairs and maintenance		
Plant and machinery	2884.45	2872.02
Buildings	212.69	177.52
Others	625.35	534.11
Advertising and sales promotion	62.67	19.93
Handling, Transport&Expenses at Sales Depots	4911.24	4739.35
Sales Commission	117.85	95.66
Donations	140.10	0.15
CSR Expenditure	99.88	131.00
Directors' sitting fees	12.04	10.80
Payment to auditors (Refer details below)	42.79	28.95
Exchange differences (net)-Loss/(Gain)	(77.20)	(17.91)
Bad debts/advances written off	-	-
Reversal of loss allowance provided	(27.54)	(10.27)
Provision for doubtful debts and advances	-	146.89
Excess off Take charges to ISRO	264.06	124.49
loss from Agriculture (Net)	(9.89)	2.85
Bank Charges	82.71	68.25
Assets Written off	-	2.26
Miscellaneous Expenses	1014.78	922.57
Total	12193.87	12782.45

The Andhra Sugars Limited

Notes Forming Part of Accounts

(Rs. in Lakhs)

Payment to Auditors	This Year	Previous Year
As Auditor	14.31	13.50
For Taxation Matters	3.32	2.51
For Limited review & Other Certifications	18.74	6.63
For Reimbursement of expenses	1.98	1.31
As Cost Auditors	4.00	4.00
Fee for Certification	0.11	0.66
For Reimbursement of expenses	0.33	0.34
Total	42.79	28.95

CSR Expenditure	This Year	Previous Year
Sri Mullapudi Venkataramanamma Memorial Hospital, Tanuku	85.21	
LED Lights to Tanuku Municipality	10.00	
Others	4.67	
Sri Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku		91.00
Sree Mullapudi Venkatarayudu Memorial Educational Trust		20.00
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust		10.00
Sree Mullapudi Thimmaraju Memorial Library & Cultural Centre		10.00
	99.88	131.00

Note -28 (a)

Items that will not be reclassified to P&L	This Year	Previous Year
Remeasurement of Defined Benefit Plan Loss/(Gain)		
Gratuity	(53.25)	152.42
Leave Encashment	(425.34)	(203.14)
Increase/Decrease in Fair Value of Investments	4108.07	(7,207.38)
Deferred Tax Liability on above items		
On Associate, Subsidiary and Joint Venture	(75.11)	3.54
On Long Term Non- Quoted Investments	(813.19)	1,782.84
Total	2,741.18	(5,471.72)

The amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss is Rs. 17.91 lakhs(gain) and 77.20 lakhs(gain) during the period 2015-16 and 2016-17 respectively.

Notes Forming Part of Accounts

EARNINGS PER SHARE

(Rs. in Lakhs)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Earnings per share has been computed as under		
Profit for the year attributable to equity shareholders of the company	12051.05	4639.75
Weighted average equity number of shares outstanding	271.07	271.07
Basic and Diluted Earnings per share (Face value Rs. 10 per share)	44.46	17.12

	As at 31st March, 2017	As at 31st March, 2016
29. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	474.46	10488.83
30. a) Uncalled liability on partly paid shares held as Investments	24.66	24.66
b) Liability on account of membership in Alkali Manufacturers Association of India, a Company limited by Guarantee	0.01	0.01
c) Other Commitments in respect of sale contracts	6853.93	3905.64
31. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	2666.91	2785.29
ii) Service Tax	88.59	88.59
iii) Sales Tax	146.03	146.03
iv) Income Tax	431.55	392.41
v) State Levies	13.46	214.83
vi) Suppliers and Service Contract	42.60	42.60
vii) Labour related	5.00	5.00
32. 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	1749.06	1862.30
(b) On letter of Credit opened with banker for purchase of Material	844.48	437.00
(c) Under the provisions of "The Levy Sugar Price Equalization 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.		

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 2008-2009 by Govt India, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.

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	5064.30	21%	5596.89	17%
Indigenous	19464.88	79%	26697.68	83%
	<u>24529.18</u>	100%	<u>32294.57</u>	100%

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	449.66	9%	442.98	9%
Indigenous	4598.57	91%	4275.98	91%
	<u>5048.23</u>	100%	<u>4718.96</u>	100%

Note - 35

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

	This year	Previous Year
Capital Goods	1558.59	44.57
Components and spare parts	445.37	135.94
Raw - materials	4839.82	7727.27
	<u>6843.79</u>	<u>7907.78</u>

Note - 36

	This year	Previous Year
Earnings in foreign exchange on FOB basis:	3471.85	1861.48

Note - 37

Expenditure incurred in foreign currency:

	This year	Previous Year
Books, Periodicals & Subscriptions	5.11	7.13
Foreign travel (excluding tickets purchased in India)	39.39	28.96
Delegation fee	2.82	1.39
Consultation Fee	0.00	60.20
Sales Expenses	0.00	0.26
Bank Charges	3.06	0.25
Interest paid	5.78	17.38
	<u>56.15</u>	<u>115.57</u>

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 & D</u>		
a) Capital Expenditure	61.52	5.30
b) Revenue Expenditure (charged to appropriate heads)	207.58	286.88
<u>General R & D</u>		
a) Capital Expenditure	0	10.26
b) Revenue Expenditure (charged to appropriate heads)	72.65	70.37
	341.75	372.81
	341.75	372.81

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	95.97	107.61
Contribution to Provident, Gratuity and other funds	11.52	13.69
Workmen and Staff Welfare Expenses	4.73	5.60
Power and Fuel	2.48	3.46
Insurance	0.01	0.01
Repairs to Buildings	0.40	0.47
Repairs to P & M	0.54	1.85
Miscellaneous Expenses	2.06	2.16
Depreciation	2.77	2.06
	120.48	136.91
	120.48	136.91

(B) Un allocated Capital Expenditure capitalised during the year for 33 MW Captive Power Project

Opening Balance	105.61	59.53
Add: Expenditure During the Year		
Staff salaries & wages	42.34	15.31
Power & Fuel	39.93	3.91
Contribution to Provident, Gratuity and other funds	2.72	0.99
Bank Charges	31.92	2.30
Insurance	-	10.38
Travel expenses	4.80	1.75
Interest on Term loan Capitalised	354.05	-
Other Expenses	159.56	17.05
	635.32	51.69
Less: Interest received from banks	0.67	5.61
	634.65	46.08
	634.65	46.08
Closing Balance	-	105.61
	-	105.61

The Andhra Sugars Limited

Notes Forming Part of Accounts

40. Disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium enterprises Development Act 2006 ("The Act").

	31.03.2017
	Rs.in Lakhs
1. Amount remaining unpaid to any "Supplier" at the end of the year,	
(a) Principal amount of bills to be paid	0.00
(b) Interest due thereon	0.01
2. Payments made to suppliers, during the year, but beyond appointed / agreed by	
(a) Payments made to Suppliers.	0.73
(b) Interest paid along with such payments during the year u/s 16 of the Act.	0.00
3. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act, 2006	0.00
4. Amount of interest accrued and remaining unpaid, at the end of each accounting year	0.01
5. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	0.00

Note: For the purpose of the above details of the status of the supplier's 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.

41. Loans and Advances include an amount of Rs.4000.00 Lakhs (Rupees Forty Crores only) being the amount given as an Inter Corporate Advance u/s 186 of the Companies Act 2013, to The Andhra Petrochemicals, an associate of the company, on the following terms and conditions.

- | | | |
|----------------------|---|---|
| a) Amount of Advance | : | Rs.4000.00 Lakhs |
| b) Date of Advance | : | Rs.1000.00 Lakhs on 03.04.2014.
Rs. 500.00 Lakhs on 23.09.2014
Rs.2500.00 Lakhs on 15.07.2016 |
| c) Interest Rate | : | 12.00% p.a |
| d) Security | : | Unsecured |
| e) Purpose | : | To meet the gap of working capital. |
| f) Repayable on | : | By the end of March 2019. |

The Andhra Sugars Limited

Notes Forming Part of Accounts

42. RELATED PARTY DISCLOSURES FOR THE PERIOD 01.04.2016 TO 31.03.2017.

(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

Company Secretary :

Sri M. Palachandra

General Manager (Finance) & Dy. Secretary :

Sri P.V.S. Viswanadha Kumar

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 Rama Lakshmi	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 Anantha Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jayaraman Anantha Lakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Rama Lakshmi	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 Atchmamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sruthi Rajeswari	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

The Andhra Sugars Limited

Notes Forming Part of Accounts

- 4) Enterprises in which Key Management Personnel and/or their relatives are Interested
- Andhra Pradesh Gas Power Corporation Limited
 - Jaya Industries
 - 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 Timma 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
 - Sree Thimmaraja Investment & Finance Company Pvt. Limited
 - Vibhas Polymers Pvt. Limited
- 5) Associate Company :
- The Andhra Petrochemicals Limited

Notes Forming Part of Accounts

(B) TRANSACTIONS WITH THE RELATED PARTIES:

(Corresponding figures related to 31st March, 2016)

(Rs. in Lakhs)

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods from	16.23	3894.27	0.00	7.68	2.46
	(85.45)	(4280.67)	(0.73)	(30.72)	(34.28)
JOCIL Limited	16.23				
Dr. B.B.Ramaiah				4.22	
Pendyala Narendranath Chowdary				3.46	
Andhra Pradesh Gas Power Corporation Limited		3543.51			
B.V.V.S.Ramesh Kumar					2.46
Others		350.76			
Purchase of Fixed Assets from	0.00	0.00	0.00	0.00	0.00
	(2.00)	(0.00)	(0.00)	(0.00)	(0.00)
Purchase of Shares in APGPCL from	0.00	0.00	1000.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			1000.00		
Advances Paid for Purchase of Store Materials	10.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
The Andhra Farm chemicals corporation	10.00	-	-	-	-
Inter Corporate Loans given to	1500.00	0.00	2500.00	0.00	0.00
	(0.00)	(0.00)	(1500.00)	(0.00)	(0.00)
JOCIL Limited	1500.00				
The Andhra Petrochemicals Limited			2500.00		
Inter Corporate Loans re-payment from	1500.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
JOCIL Limited	1500.00				
Fixed Deposits Received from :	0.00	0.00	0.00	649.00	1047.60
	(58.00)	(0.00)	(0.00)	(1439.65)	(3801.05)
Bolla Bulli Ramaiah				100.00	
Pendyala Narendranath Chowdary				249.00	
Mullapudi Narendranath				70.00	
Mullapudi Thimmaraja				200.00	
Pendyala Achuta Ramayya				30.00	
Mullapudi Renuka					120.00
Pendyala Jhansi Jaya Lakshmi					115.00
Pendyala Sujatha					108.40
Others					704.20
Fixed Deposits repaid on maturity/cancellation	142.25	0.00	0.00	198.00	145.45
	(14.00)	(0.00)	(0.00)	(246.65)	(2354.35)

Notes Forming Part of Accounts

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Hindustan Allied Chemicals Limited	142.25				
Pendyala Narendranath Chowdary				13.00	
Mullapudi Narendranath				20.00	
Mullapudi Thimmaraja				110.00	
Pendyala Achuta Ramayya				35.00	
Royal Printing Works				20.00	
Jujjavarapu Usha Rani					26.85
Nidadavolu Venkata Ramanamma					111.50
Others					7.10
Loans Received from Directors	0.00	0.00	0.00	50.00	0.00
	(0.00)	(0.00)	(0.00)	(133.00)	(0.00)
Pendyala Achuta Ramayya				50.00	
Loans re-paid to Directors	0.00	0.00	0.00	117.00	0.00
	(0.00)	(0.00)	(0.00)	(69.66)	(0.00)
Pendyala Narendranath Chowdary				64.00	
Pendyala Achuta Ramayya				53.00	
Services Rendered by	3.67	20.02	0.00	27.58	2.07
	(0.00)	(18.75)	(0.00)	(23.51)	(1.84)
The Andhra Farm Chemicals Corporation Limited	3.61				
JOCIL Limited	0.06				
Mullapudi Thimmaraja				4.97	
Royal Printing Works				22.61	
Mullapudi Mrutyumjaya Prasad					2.07
Sree Mullapudi Venkataramanamma Memorial Hospital		13.20			
Sree Mullapudi Venkatarayudu Memorial Medical Trust		6.12			
Others		0.70			
Sale of Goods to	246.87	974.12	67.23	0.00	0.00
	(384.81)	(948.51)	(55.85)	(0.00)	(0.00)
JOCIL LIMITED	246.87				
The Andhra Petrochemicals Limited			67.23		
Jayalakshmi Fertilisers		964.48			
Others		9.64			
Sale of Fixed Assets to	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Services Rendered to	0.00	0.11	0.81	0.00	0.00
	(0.00)	(0.05)	(1.14)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			0.81		
Sree Akkamamba Textiles Limited		0.11			
Interest Paid on Fixed Deposits	4.56	0.00	0.00	327.75	1037.78
	(11.67)	(0.00)	(0.00)	(258.95)	(958.31)
Hindustan Allied Chemicals Limited	4.56				

The Andhra Sugars Limited

Notes Forming Part of Accounts

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Pendyala Narendranath Chowdary				225.32	
Pendyala Achuta Ramayya				37.51	
Pendyala Jhansi Jaya Lakshmi					139.50
Pendyala Sujatha					117.01
Others				64.92	781.27
Interest paid to Directors	0.00	0.00	0.00	13.19	0.00
	(0.00)	(0.00)	(0.00)	(15.57)	(0.00)
Dr. B.B. Ramaiah				9.50	
Pendyala Achuta Ramayya				3.03	
Others				0.66	
Remuneration (including Comm.) paid to	0.00	0.00	0.00	1729.12	14.48
	(0.00)	(0.00)	(0.00)	(890.55)	(11.00)
Dr. B.B. Ramaiah				396.93	
Pendyala Narendranath Chowdary				408.25	
Mullapudi Narendranath				247.31	
Mullapudi Thimmaraja				247.21	
Pendyala Achuta Ramayya				240.17	
P.S.R.V.K. Ranga Rao				144.54	
M. Palachandra				20.46	
P.V.S. Viswanadha Kumar				24.25	
Mullapudi Vikram Prasad					8.33
Mullapudi Mrutyumjaya Prasad					6.15
Donations paid to	0.00	140.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Sree Mullapudi Venkataramanamma Memorial Hospital		120.00			
Sree Mullapudi Kamala Devi Cardiovascular Centre		10.00			
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust		10.00			
Contribution towards CSR Expenses	0.00	99.88	0.00	0.00	0.00
	(0.00)	(131.00)	(0.00)	(0.00)	(0.00)
Sree Mullapudi Venkataramanamma Memorial Hospital		85.21			
Others		14.67			
Dividend Paid to	0.00	0.00	0.00	0.00	0.00
	(0.00)	(123.36)	(0.00)	(292.40)	(529.43)
Dividend Received from	0.00	2.80	0.00	0.00	0.00
	(635.25)	(2.80)	(0.00)	(0.00)	(0.00)
Sree Akkamamba Textiles Limited		2.80			
Interest Received on Inter Corporate Loan	27.39	0.00	393.70	0.00	0.00
	(0.00)	(0.00)	(195.00)	(0.00)	(0.00)
JOCIL Limited	27.39				
The Andhra Petrochemicals Limited			393.70		

Notes Forming Part of Accounts

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
C) Balances as at 31-03-2017:					
a) Share Capital held by the Company, in	479.10	7162.84	3660.56	0.00	0.00
	(479.10)	(6160.34)	(3660.56)	(0.00)	(0.00)
JOCIL Limited	441.79				
The Andhra Petrochemicals Limited			3660.56		
Andhra Pradesh Gas Power Corporation Limited		7161.09			
Others	37.31	1.75			
b) RECEIVABLES					
Advance Paid for Purchase of Store Materials	10.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
The Andhra Farm Chemicals Corporation Limited	10.00				
Loans/ Intercorporate loans	0.00	0.00	4000.00	0.00	0.00
	(0.00)	(0.00)	(1500.00)	(0.00)	(0.00)
The Andhra Petrochemicals Limited			4000.00		
c) Share Capital of the Company held by	0.00	154.20	0.00	391.63	678.16
	(0.00)	(154.20)	(0.00)	(368.17)	(670.94)
DR. B.B.Ramaiah				22.40	
Pendyala Narendranath Chowdary				67.71	
Mullapudi Narendranath				108.89	
Mullapudi Thimmaraja				81.46	
Pendyala Achuta Ramayya				46.76	
P.S.R.V.K.Ranga Rao				64.41	
Pendyala Jhansi Jayalakshmi					97.03
Pendyala Sujatha					81.41
Sree Akkamamba Textiles Limited		30.19			
Sree Mullapudi Venkataramanamma Memorial Hospital		89.03			
Others		34.98			499.72
d) Loans/ Intercorporate loans received from	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
e) PAYABLES :					
--- Fixed Deposits :	0.00	0.00	0.00	3275.55	10064.55
	(98.25)	(0.00)	(0.00)	(2804.55)	(9240.80)
Pendyala Narendranath Chowdary				2226.45	
Pendyala Achuta Ramayya				344.10	
Pendyala Jhansi Jaya Lakshmi					1357.60
Pendyala Sujatha					1140.70
Others				705.00	7566.25
Loans Payable to Directors	0.00	0.00	0.00	124.64	0.00
	(0.00)	(0.00)	(0.00)	(191.64)	(0.00)

The Andhra Sugars Limited

Notes Forming Part of Accounts

Particulars	Subsidiary Companies	Entities in which KMP or their relatives have significant influence	Associate Company	Key Management Personnel	Relatives of Key Management Personnel
Dr. B.B. Ramaiah				100.00	
Pendyala Achuta Ramayya				20.84	
Others				3.80	
---- Interest payable on Fixed Deposits :	0.00	0.00	0.00	75.46	230.52
	(3.35)	(0.00)	(0.00)	(64.82)	(217.28)
Pendyala Achuta Ramayya				8.02	
Pendyala Narendranath Chowdary				51.02	
Pendyala Jhansi Jaya Lakshmi					30.44
Pendyala Sujatha					25.68
Others				16.42	174.40
---- Interest Payable to Directors:	0.00	0.00	0.00	2.92	0.00
	(0.00)	(0.00)	(0.00)	(4.36)	(0.00)
Dr. B.B. Ramaiah				2.34	
Others				0.58	
---- Remuneration Payable :	0.00	0.00	0.00	1474.53	0.79
	(0.00)	(0.00)	(0.00)	(649.58)	(0.73)
Dr. B.B. Ramaiah				345.81	
Pendyala Narendranath Chowdary				347.23	
Mullapudi Narendranath				216.78	
Mullapudi Thimmaraja				216.78	
Pendyala Achuta Ramayya				215.98	
P.S.R.V.K.Ranga Rao				129.55	
M. Palachandra				1.43	
P.V.S. Viswanadha Kumar				0.97	
Mullapudi Vikram Prasad					0.44
Mullapudi Mrutyumjaya Prasad					0.35

Remuneration Paid to :

PARTICULARS	Key Management Personnel		Relatives of Key Management Personnel	
	This Year	Previous Year	This Year	Previous Year
Short-term employee benefits	1686.93	849.06	11.92	8.84
Dr. B.B. Ramaiah	387.21	191.11		
Pendyala Narendranath Chowdary	398.53	196.90		
Mullapudi Narendranath	242.45	121.46		
Mullapudi Thimmaraja	242.35	121.29		
Pendyala Achuta Ramayya	235.31	113.81		
P.S.R.V.K.Ranga Rao	142.01	72.12		
M. Palachandra	18.34	16.38		
P.V.S. Viswanadha Kumar	20.73	15.99		
Mullapudi Vikram Prasad			6.88	6.44
Mullapudi Mrutyumjaya Prasad			5.04	2.40

Notes Forming Part of Accounts

PARTICULARS	Key Management Personnel		Relatives of Key Management Personnel	
	This Year	Previous Year	This Year	Previous Year
Post-employment gratuity and medical benefits	18.79	18.36	1.09	0.83
	(0.00)	(0.00)	(0.00)	
Dr. B.B.Ramaiah	4.32	4.32		
Pendyala Narendranath Chowdary	4.32	3.68		
Mullapudi Narendranath	2.16	2.16		
Mullapudi Thimmaraja	2.16	2.16		
Pendyala Achuta Ramayya	2.16	2.16		
P.S.R.V.K.Ranga Rao	1.01	1.19		
M. Palachandra	1.00	1.29		
P.V.S. Viswanadha Kumar	1.66	1.40		
Mullapudi Vikram Prasad			0.65	0.60
Mullapudi Mrutyumjaya Prasad			0.44	0.23
Termination benefits	23.40	23.13	1.47	1.32
Dr. B.B.Ramaiah	5.40	5.40		
Pendyala Narendranath Chowdary	5.40	4.61		
Mullapudi Narendranath	2.70	2.70		
Mullapudi Thimmaraja	2.70	2.70		
Pendyala Achuta Ramayya	2.70	2.70		
P.S.R.V.K.Ranga Rao	1.52	1.71		
M. Palachandra	1.12	1.64		
P.V.S. Viswanadha Kumar	1.86	1.67		
Mullapudi Vikram Prasad			0.80	0.77
Mullapudi Mrutyumjaya Prasad			0.67	0.55
Share-based payment transactions	0.00	0.00	0.00	0.00
Total compensation paid to key management personnel	1729.12	890.55	14.48	11.00
Dr. B.B.Ramaiah	396.93	200.83		
Pendyala Narendranath Chowdary	408.25	205.19		
Mullapudi Narendranath	247.31	126.32		
Mullapudi Thimmaraja	247.21	126.15		
Pendyala Achuta Ramayya	240.17	118.67		
P.S.R.V.K.Ranga Rao	144.54	75.02		
M. Palachandra	20.46	19.31		
P.V.S. Viswanadha Kumar	24.25	19.06		
Mullapudi Vikram Prasad			8.33	7.82
Mullapudi Mrutyumjaya Prasad			6.15	3.18

Notes Forming Part of Accounts

(Rs.in Lakhs)

Note No. 43

Income Tax Reconciliation

INCOME TAX EXPENSE AND DEFERRED TAXES

2016-17

2015-16

Income Tax Expense:-

a. Current Tax	3337.99	2750.00
b. Deferred Tax	2134.39	248.66
c. MAT Credit Entitlement	(1553.48)	-
d. Income Tax Refund	(4.54)	(90.41)
e. Short/ (Excess) provision of Income Tax of Earlier years		(187.97)

Total Tax Expense for the year**3914.36****2720.28**

Effective Tax Reconciliation

a. Net Profit/(Loss) before taxes	15965.41	7360.03
b. Tax rate applicable to the company as per normal provisions	0.35	0.35
c. Tax expense on net profit (c=a*b)	5525.31	2547.16
d. Increase /Decrease in tax expense on account of:-		
i. Non-taxable income/Exempt income	(11.94)	(226.55)
ii. Accelerated Depreciation	(2397.16)	655.41
iii. Expenses not allowed under Income Tax	88.26	94.34
iv. Expenses that are allowed under payment basis	(19.72)	(3.00)
v. Expected Credit Loss as per Ind AS	(10.60)	(3.55)
vi. Amortisation of Government Grant as per Ind AS	(149.45)	(163.19)
vii. Finance Cost as per Ind AS	133.93	160.99
viii. Additional deduction of capital expenditure on R&D	(21.29)	(5.38)
ix. Profit on revaluation of current investments as per Ind AS	(54.97)	0.00
x. Deduction under section 32AC	(959.36)	0.00
xi. Deduction under section 80IA	(301.99)	(103.33)
xii. Deduction under section 80G	(38.99)	(6.95)
xiii. Other Adjustments		2.77
	(3743.30)	401.54
e. Tax as per normal provision under Income Tax (c+d)	1782.01	2948.70
Add: Interest on income tax	2.49	48.72
Less: Brought-forward losses		(247.43)
Tax (including interest) as per normal provision under Income Tax	1784.51	2750.00
f. Tax rate applicable to the company as per MAT provisions	0.21	0.21
g. MAT Tax expense on net profits	3407.27	1570.75
h. Increase/(Decrease) in MAT Tax expenses on account of:		
i. Exempted income U/s 10 except 10(38)	(7.10)	(137.72)
ii. Expenses that are not allowed	1.97	2.05
iii. Items that will not be reclassified to profit and loss	(102.13)	0.00
iv. 1/5th of transition amount u/s 115JB (2C)	35.74	
v. Other Adjustments	(3.10)	0.00
	(74.62)	(135.67)
i. MAT tax provision under 115JB (g+h)	3332.66	1435.08
Interest on MAT Tax	5.33	
MAT tax (including interest) provision under 115JB	3337.99	1435.08

(Rs.in Lakhs)

2016-17

2015-16

Deferred Taxes:

As on the reporting date

a. On OCI Component

- Investments classified as FVTPL	888.30	1786.36
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b. Other than OCI Component

- Difference in WDV of Fixed Assets	2169.87	(566.67)
- Financial Assets reported at fair value	54.97	--
- Discounting of legal cases	9.27	695.83
- Post Employment benefits	(91.64)	29.40
- Unabsorbed Losses		140.58
- Other Disallowances	(8.09)	(50.48)

c. Total for the year

3022.69**2035.02**

Expense/(Income) Recognised for the year ended:

a. Deferred tax liability/(asset)/recognised in statement of profit and loss	2134.39	248.66
b. Deferred tax recognised in Other Comprehensive Income	888.30	1786.36
c. Deferred tax recognised in Total Comprehensive Income	3022.69	2035.02

Note:44

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.

Independent Auditor's Report

To
The Members,
The Andhra Sugars Limited,
Venkatarayapuram,
Tanuku - 534215,
West Godavari District,
Andhra Pradesh.

Report on Consolidated Ind AS Financial Statements:

We have audited the accompanying consolidated Ind AS financial statements of The Andhra Sugars Limited (the "Holding Company"), its subsidiaries and its associate (collectively referred to as "the Group"), comprising of the Consolidated Balance sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flow and the Consolidated Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
 - e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and its associate incorporated in India, none of the directors of the Group Companies and its associate incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act;
 - f) With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A", and
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 31 to the Consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its Subsidiaries incorporated in India.
 - iv. The company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 11 to the consolidated Ind AS financial statements.

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number:000513S
(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Camp : Tanuku
Date : 27th May 2017

ANNEXURE-A to THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of The Andhra Sugars Limited ("the Holding company") and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its Subsidiaries and Associate which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmayya & Co
Chartered Accountants
Firm's Registration Number:000513S

(T.V.Ramana)
Partner
(ICAI Membership. No. 200523)

Camp : Tanuku
Date : 27th May 2017

Consolidated Balance Sheet as on 31st March 2017

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	65727.41	51066.71	52160.06
Capital Work-in-progress		2966.31	6079.49	2645.95
Investment Property	2.1	9.45	12.08	15.58
Other Intangible Assets	2.1	29.10	35.36	40.53
Financial Assets				
Investments	3	25805.50	20825.49	29058.70
Trade Receivables		--	--	--
Loans	4	4000.00	1600.00	1800.00
Others Financial Assets	5	109.21	64.74	64.74
Deferred Tax Assets	26	--	--	--
Other Non-current Assets	6	3544.39	4365.89	3166.41
Current assets				
Inventories	7	30242.79	34093.66	38458.23
Financial Assets		--	--	--
Investments	8	9980.57	5.11	5.24
Trade Receivables	9	18488.59	15208.11	14443.18
Cash and cash equivalents	10	4262.33	2577.83	3168.83
Loans	11	100.02	200.00	200.00
Other Financial Assets	12	295.29	200.00	197.12
Current Tax Assets	27	810.88	1944.90	1358.91
Other Current assets	13	5215.03	3249.58	3168.82
Assets classified as held for Sale		47.91		
Total Assets		171634.78	141528.98	149952.30
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	2711.01	2711.01	2711.01
Other Equity	15	90564.05	75632.50	79752.20
Equity attributable to the equity holders of the company		93275.06	78343.51	82463.21
Non-controlling interests		7597.00	7200.30	7026.70
Total Equity		100872.06	85543.81	89489.91
Deferred Government Grant	16	1212.17	1643.99	
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	17	23209.10	15276.51	14847.47
Trade Payables		--	--	--
Other financial liabilities	18	206.42	191.13	158.69
Provisions	19	754.49	545.40	779.47
Deferred Tax Liabilities	26	11676.06	10182.28	11714.12
Other non-current liabilities	20	4111.26	4371.47	3979.81
Current liabilities				
Financial Liabilities				
Borrowings	21	6463.90	6806.77	14863.44
Trade payables	22	7123.33	3001.70	2870.26
Other financial liabilities	23	10741.33	8009.29	5214.01
Other current liabilities	24	4566.00	5217.95	5343.13
Provisions	25	698.66	738.68	691.99
Total Equity and Liabilities		171634.78	141528.98	149952.30

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

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

T.V. Ramana
Partner
Membership No: 200523

Dr. B.B. Ramaiah
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Company Secretary

TANUKU
Date: 27-05-2017

P.V.S. Viswanadha Kumar
TANUKU
Date: 27-05-2017

G.M.(Finance) & Dy. Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. in Lakhs)

Particulars	Note No.	Current Reporting Period 2016-17	Previous Reporting Period 2015-16
Income			
I Revenue from operations (Gross)	28	137951.43	135771.59
II Other Income	29	2617.77	2761.75
III Total Revenue (I + II)		140569.20	138533.34
IV Expenses			
Cost of raw materials consumed	30	52038.52	58362.62
Purchase of traded goods		--	--
[Increase]/Decrease in Inventories of finished goods, Work-in-progress.	31	4780.63	3787.26
Employee Benefits expense	32	11594.08	10716.18
Depreciation and amortization expense	33	5127.24	5597.44
Power and Fuel		21249.56	20143.66
Finance Cost	34	2574.29	2873.28
Excise duty		10087.96	9924.13
Other expenses	35	16191.10	17053.12
Total Expenses (IV)		123643.38	128457.69
V Profit/(Loss) Before Exceptional items & Tax (III-IV)		16925.82	10075.65
VI Exceptional Items		--	--
VII Profit/(Loss) Before Tax (V-VI)		16925.82	10075.65
VIII Profit from Associate		(251.96)	(810.54)
IX Add : Income Tax Refund		--	(90.45)
Add : Income Tax Excess Provision Credited Back		(2.01)	(190.91)
Less : Tax expenses			
Current tax		3593.03	3778.55
MAT Credit Entitlement		(1553.48)	--
Deferred tax		2158.96	146.85
Total tax expense		4196.50	3644.04
X Profit/(Loss) for the year after tax (VII + VIII - IX)		12477.36	5621.07
Less:-			
XI Minority Interest		336.04	809.42
XII Profit/(Loss) After Minority Interest (X-XI)		12141.32	4811.65
Other Comprehensive Income			
Items that will not be reclassified to P&L		2730.92	(5490.03)
Share of OCI from associate		119.97	(211.59)
Total Other comprehensive Income		2850.89	(5701.62)
Less: Minority Interest		60.66	(10.91)
Other Comprehensive Income after Minority interest		2790.23	(5690.71)
Total Comprehensive Income		15328.25	(80.55)
Less: Minority Interest		396.70	798.51
Total Comprehensive Income after Minority interest		14931.55	(879.06)
Basic Earning Per Share		44.79	17.75
Diluted Earning Per Share		44.79	17.75
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

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

T.V. Ramana
Partner
Membership No: 200523

Dr. B.B. Ramaiah
A. Ranga Rao
M. Palachandra

Chairman & Managing Director
Director
Company Secretary

TANUKU
Date: 27-05-2017

P.V.S. Viswanadha Kumar
TANUKU
Date: 27-05-2017

G.M.(Finance) & Dy. Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

PARTICULARS	2016-17	2015-16
Profit before tax from continuing operations	16925.82	10075.65
Adjustments for		
Net gain on sale of current investments	(152.49)	(170.66)
Net gain on revaluation of current investments	(158.84)	--
Interest expense	2573.27	2878.65
Interest income	(954.24)	(802.03)
Dividend income	(16.01)	(648.84)
Loss Allowance provided	(27.54)	(10.27)
Government Grant amortised	(431.83)	(471.54)
Depreciation/amortization on continuing operation	5127.24	5597.44
Impairment/other write off on tangible/intangible assets	0.35	2.29
Loss/[profit] on sale of fixed assets	(1.47)	(4.03)
Remeasurement of defined benefit plans	(490.28)	(66.52)
Provision for diminution in value of investments	--	1.35
Wealth Tax	--	--
Net (gain)/Loss on sale of Non-current investments	--	--
Operating profit before working capital changes	22393.98	16381.48
Movements in working capital:		
Increase/[decrease] in trade payables	3851.19	292.33
Increase/[decrease] in long-term provisions	236.71	(268.35)
Increase/[decrease] in short-term provisions	(40.00)	40.51
Increase/[decrease] in other liabilities (current)	2268.91	2638.08
Increase/[decrease] in other financial liabilities (non-current)	11.19	32.70
Increase/[decrease] in other liabilities (non-current)	(233.75)	375.15
Decrease/[increase] in trade receivables	(3823.78)	(1133.88)
Decrease/[increase] in inventories	3850.87	4442.15
Decrease/[increase] in short-term loans and advances	0.20	12.15
Decrease/[increase] in long-term loans and advances	26.84	(2577.23)
Decrease/[increase] in other current assets	(1463.63)	1835.26
Decrease/[increase] in other financial assets (current)	(22.37)	(32.16)
Cash generated from/[used in] operations	27056.36	22038.19
Direct taxes paid [net of refunds]	2456.96	4237.53
Net cash flow from/[used in] operating activities (A)	24599.40	17800.66
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(15971.00)	(8151.61)
Proceeds from sale of fixed assets	2.65	12.92
Proceeds of non-current investments	0.01	--
Purchase of non-current investments	(1002.50)	(0.10)
Purchase of current investments	(25349.99)	(15250.00)
Proceeds from sale/maturity of current investments	15828.11	15367.79
Proceeds from repayment of Inter-corporate loans	199.98	156.00
Interest received	954.24	790.36
Dividends received from subsidiary company	--	--
Dividends received from Long-Term investments	16.01	13.59
Net cash flow from/[used in] investing activities (B)	(25322.49)	(7061.04)
Proceeds from non-current borrowings	9372.04	1939.57
Inter-corporate loan	(2500.00)	--
Proceeds from borrowings (Current)	(2281.14)	(7918.12)
Proceeds from other non-current financial liabilities	--	--
Interest paid	(2183.31)	(2401.81)
Dividends paid including Interim Dividend	--	(2687.86)
Tax on equity dividend paid	--	(262.40)
Net cash flow from/[used in] in financing activities [C]	2407.59	(11330.62)
Net increase/[decrease] in cash and cash equivalents (A+B+C)	1684.50	(591.00)
Cash and cash equivalents at the beginning of the year	2577.83	3168.83
Cash and cash equivalents at the end of the year	4262.33	2577.83
Components of cash and cash equivalents		
Cash on hand	66.95	16.78
Cheques/drafts on hand	130.05	273.75
With banks Accounts	3685.01	1814.68
Margin Money deposit accounts	255.18	309.10
Unclaimed dividend accounts	125.15	163.52
Total cash and cash equivalents	4262.33	2577.83

The Andhra Sugars Limited - Group Consolidated Financial Statements

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

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

T.V. Ramana
Partner
Membership No: 200523

Dr. B.B. Ramaiah	Chairman & Managing Director
A. Ranga Rao	Director
M. Palachandra	Company Secretary

TANUKU
Date: 27-05-2017

P.V.S. Viswanadha Kumar	G.M.(Finance) & Dy. Secretary
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TANUKU
Date: 27-05-2017

Notes Forming Part of Consolidated Accounts

Ind AS Policies of Consolidated Financial Statements

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Value Ind AS Limited (the 'Company') and its subsidiaries.

(a) Basis of preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first financial statements of the group under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration that is measured at fair value;
- assets held for sale - measured at fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

Notes Forming Part of Consolidated Accounts

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(j) below.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity (note 34).

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(d) Revenue Recognition

(e) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes Forming Part of Consolidated Accounts

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

- (g) Leases
- (h) Impairment
- (i) Cash and Cash Equivalents
- (j) Trade Receivables
- (k) Inventories
- (l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary

Notes Forming Part of Consolidated Accounts

acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(m) Investments and other financial assets

Classification

The group classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(n) Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- i. **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- ii. **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- iii. **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(o) Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the group's right to receive payments is established.

Notes Forming Part of Consolidated Accounts

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(p) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

1. Freehold buildings 25-40 years
2. Machinery 10-15 years
3. Furniture, fittings and equipment 3-5 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Schedule II

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(q) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Statement of Changes in Equity for the year ended 31st March 2017

A. Equity share capital
(Rs.in Lakhs)

Particulars	No's	
As at 1st April, 2015	271.07	2710.71
Add: Forfeited shares (Amount originally paid up)	0.06	0.30
	271.10	2711.01
Changes in equity share capital		
As at 31st March, 2016	271.10	2711.01
Changes in equity share capital	0.00	0.00
As at 31st March, 2017	271.10	2711.01

B. Other Equity
(Rs.in Lakhs)

Particulars	Share applica- tion money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Other Items of Other Comprehensive Income		Total
			Capital Reserve	Forfeited Deben- tures	Securities Premium Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehen- sive Income	Acturial Gains/ losses	
Balance at the beginning of reporting period - 01st April, 2015			123.12	0.30	1,560.70	44,760.82	15,796.05	17,549.55	(38.34)	79,752.20
Profit for the period							4,811.66	(7,207.38)	(50.71)	4,811.66
Other Comprehensive Income							1,567.39	(7,207.38)	(50.71)	(5,690.70)
Total Comprehensive Income for the year							6,379.05	(7,207.38)	(50.71)	(879.04)
Transfer from General Reserve			(45.00)				1,275.15	(1,275.15)		(45.00)
Final Dividends								(1,106.45)		(1,106.45)
Interim Dividend								(1,697.46)		(1,697.46)
Dividend Distribution tax								(391.75)		(391.75)
Balance at the end of reporting period - 31st March 2016			78.12	0.30	1,560.70	46,035.97	17,704.29	10,342.17	(89.05)	75,632.50
Profit for the period							12,141.32	4,108.07	(478.59)	12,141.32
Other Comprehensive Income							(839.25)	4,108.07	(478.59)	2,790.23
Total Comprehensive Income for the year							11,302.07	4,108.07	(478.59)	14,931.55
Transfer from General Reserve								2,000.00		
Final Dividends										
Interim Dividend										
Dividend Distribution tax										
Balance at the end of reporting period - 31st March 2017			78.12	0.30	1,560.70	48,035.97	27,006.36	14,450.24	(567.64)	90,564.05

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Reconciliation of Equity as previously reported under IGAAP to Ind AS

Particulars	Note No.	As on 31st March 2016			As on 1st April 2015		
		As per IGAAP	Ind AS Adjustments	As per 'IND AS	As per IGAAP	Ind AS Adjustments	As per 'IND AS
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment		52134.84	(1068.13)	51066.71	52671.78	(511.72)	52160.06
(b) Capital Work-in-progress		5489.01	590.48	6079.49	2055.47	590.48	2645.95
(c) Investment Property		12.08	--	12.08	15.58	--	15.58
(e) Other Intangible Assets		35.36	--	35.36	40.53	--	40.53
(g) Biological Assets other than Bearer Plants							
(h) Financial Assets							
(i) Investments		10,551.80	10,273.69	20,825.49	11,377.25	17,681.45	29,058.70
(ii) Trade Receivables							
(iii) Loans		1,600.00	--	1,600.00	1,800.00	--	1,800.00
(iv) Others (to be specified)		64.73	--	64.73	64.74	--	64.74
(i) Deferred Tax Assets (Net)		0.00					
(j) Other Non-current Assets		4,365.89	--	4,365.89	3,166.41	--	3,166.41
Current assets							
(a) Inventories		35,251.55	(1,157.89)	34,093.66	39,693.70	(1,235.47)	38,458.23
(b) Financial Assets							
(i) Investments		5.11	--	5.11	5.24	--	5.24
(ii) Trade Receivables		15,257.98	(49.87)	15,208.11	14,503.32	(60.14)	14,443.18
(iii) Cash and cash equivalents		2,577.83		2,577.83	3,168.83		3,168.83
(iv) Bank balances other than (iii) above							
(v) Loans		200.00	--	200.00	200.00	--	200.00
(vi) Others (to be specified)		200.04	--	200.04	197.13	--	197.13
(c) Current Tax Assets (Net)		1,944.90	--	1,944.90	1,465.26	(106.35)	1,358.91
(d) Other Current assets		3,249.58	--	3,249.58	3,168.82		3,168.82
Total Assets		132,940.69	8,588.29	141,528.98	133,594.05	16,358.25	149,952.30
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		2,711.01	--	2,711.01	2,711.01	--	2,711.01
(b) Other Equity		65,865.11	9,767.38	75,632.50	62,153.64	17,598.56	79,752.20
Non-Controlling interest		7,210.32	(10.02)	7,200.30	7,032.91	(6.21)	7,026.70
Deferred Government Grant			1,643.99	1,643.99			
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		16,898.35	(1,621.84)	15,276.51	14,847.47	--	14,847.47
(ii) Trade Payables							
(iii) Other financial liabilities (Other than those specified in item (b), to be specified)		191.13	--	191.13	158.69	--	158.69
(b) Provisions		545.41	--	545.40	779.47	--	779.47
(c) Deferred Tax Liabilities (Net)		8,520.29	1,661.99	10,182.28	9,639.69	2,074.40	11,714.09
(d) Other non-current liabilities		7,224.66	(2,853.21)	4,371.47	6,006.35	(2,026.54)	3,979.81
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		6,806.78	--	6,806.77	14,863.45	--	14,863.45
(ii) Trade payables		3,001.71	--	3,001.69	2,870.30	--	2,870.30
(iii) Other financial liabilities (other than those specified in item (c))		8,009.30	--	8,009.29	5,214.01	--	5,214.01
(b) Other current liabilities		5,217.96	--	5,217.96	5,343.12	--	5,343.12
(c) Provisions		738.68	--	738.68	1,973.94	(1,281.95)	691.99
Total liabilities		57,154.26	(1,169.07)	55,985.18	61,696.49	(1,234.10)	60,462.39
Total Equity and Liabilities		132,940.70	8,588.29	141,528.98	133,594.05	16,358.25	149,952.30

Notes Forming Part of Consolidated Accounts

Reconciliation Statement of Profit and Loss as previously reported under GAAP to IND AS-consolidated

(Rs. in Lakhs)

Particulars	Indian GAAP Balances	Ind AS Adjustments	Ind AS Balance
Revenue from operations(Net)	125,817.49	9,954.10	135,771.59
Other Income	2,290.22	471.53	2,761.75
Total income	128,107.71	10,425.63	138,533.34
Expenses			
Cost of materials consumed	58,362.62	--	58,362.62
Purchases of Stock-in-Trade	--	--	--
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	3,787.25	--	3,787.25
Employee Benefit Expenses	10,782.70	(66.52)	10,716.18
Finance costs	2,408.11	465.17	2,873.28
Depreciation and amortisation expenses	5,117.87	479.57	5,597.44
Power and fuel	20,143.66		20,143.66
Excise duty		9,924.13	9,924.13
Other expenses	17,033.41	19.71	17,053.12
Total Expenses	117,635.62	10,822.06	128,457.68
Profit(loss) before exceptional items and tax	10,472.09	(396.43)	10,075.65
Exceptional items			
Profit(loss) before tax (V-VI)	10,472.09	(396.43)	10,075.65
Profit from associate	(824.21)	13.67	(810.54)
Tax Expenses			
Income tax refund	90.45	--	90.45
1. Short/(Excess) provision of Income Tax of Earlier years	190.91	--	190.91
2. Taxation	3,778.55	--	3,778.55
3. Deferred tax	(277.57)	424.42	146.85
Profit (loss) for the period from continuing operations	6,428.26	(807.18)	5,621.07
Profit (loss) from discontinued operations			
Tax expenses of discontinued operations			
Profit/(loss) from Discontinued operations (after tax)			
Profit (loss) for the period	6,428.26	(807.18)	5,621.07
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	--	(5,701.62)	(5,701.62)
(ii) Income tax relating to items that will not be reclassified to profit or loss	--	--	--
B (i) Items that will be reclassified to profit or loss	--	--	--
(ii) Income tax relating to items that will be reclassified to profit or loss	--	--	--
Total Comprehensive Income for the period (comprising profit (loss) for the period and other comprehensive income)	6,428.26	(6,508.80)	(80.55)
Profit attributable to			
Owners of the company	5,625.93	(814.28)	4,811.65
Non-controlling interests	802.31	7.11	809.42
Total Comprehensive income attributable to			
Owners of the company	5,625.93	(6,504.99)	(879.06)
Non-controlling interests	802.31	(3.80)	798.51

Notes Forming Part of Consolidated Accounts

Notes to Reconciliation

(a) Property, Plant and equipment

Adjustments includes impact of spares capitalisation, life expired assets and application of component accounting as per Ind AS.

(b) Capital-work-in-Progress

Adjustments reflect the amount of spares transferred to capital work-in-progress.

(c) Investments

Investments in National Savings Certificates are carried at amortised cost under Ind AS. Investments in Equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

(d) Inventories

Adjustments that reflect spares capitalised to Property, Plant and Equipment and Capital work-in-progress.

(e) Trade Receivables

Adjustments that include loss allowance provided on financial asset i.e., Trade receivables.

(f) Other Equity

Adjustments to retained earnings and other comprehensive income has been made with Ind AS, for the above mentioned items. In addition, as per Ind AS-19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

(g) Borrowings

Adjustments include effect due to recognition of Government grant from Interest free Loans and Benefits received from Government earlier recognized under Borrowings.

(h) Deferred Tax Liabilities

The adjustments include recognition of Deferred Tax on investments under Ind AS and due to Deferred Tax impact on Ind AS adjustments.

(i) Other Non-Current Liabilities

Adjustment include the impact of discounting of Liabilities based on their expected date of settlement.

(j) Other Income

Adjustments include Amortization of Government Grant recognized in accordance with Ind AS-20- "Government Grants" and due to fair value change of investments classified as Fair value through Profit and Loss.

(k) Employee benefit expenses

As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in subsequent period.

(l) Finance Cost

Adjustments include notional interest charged on Interest free Loans and Benefits received from Government and due to discounting impact of Liabilities measured at Fair value

(m) Depreciation and Amortization expenses

Adjustments are due to Ind AS impacts made to Property, Plant and Equipment, i.e., Depreciation on Spares Capitalized, Change in Depreciation due to application of Component Accounting as per Ind AS.

(n) Other Expenses

Adjustment is due to change in provision for Loss allowance on Financial Assets (trade receivables).

(o) Deferred Tax

Adjustment include Deferred Tax changes due to above mentioned adjustments.

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

CONSOLIDATED SCHEDULE FOR PROPERTY, PLANT AND EQUIPMENT

NOTE:- 2

2015-16

Description	Deemed Cost as on 1st April 2015	Additions 2015-16	Disposal 2015-16	Gross cost as on 31st March 2016	Dep. for 2015-16	WDV as on 31st March 2016
Land	3582.12	40.98	0.00	3623.10	0.00	3623.10
Buildings	3721.16	715.02	0.16	4436.02	283.35	4152.67
Plant & Machinery	43051.70	1406.16	3.22	44454.64	4573.89	39878.85
Transport Equipment	1571.30	2284.18	5.70	3849.78	613.59	3236.19
Furniture & Fittings	233.78	60.59	0.38	293.99	118.09	175.90
TOTAL	52160.06	4506.93	9.46	56657.53	5588.92	51066.71

NOTE:- 2.1

Intangible Assets	40.53	1.92	0.00	42.45	7.09	35.36
Investment Property	15.58	0.00	0.00	15.58	3.50	12.08

Depreciation includes depreciation capitalised to the extent of Rs.205727/- relating to year 2015-16 .

Description	GROSS as on 31st March 2016	Additions during 2016-17	Disposal during 2016-17	Gross cost as on 31st March 2017	Dep upto 2015-16	Dep for 2016-17	Dep. upto 31st March 2017	WDV as on 31st March 2017
Land	3623.10	257.41	0.00	3880.51	0.00	0.00	0.00	3880.51
Buildings	4436.02	1343.71	1.60	5778.13	283.35	264.14	547.49	5230.64
Plant & Machinery	44454.64	17679.04	46.53	62087.15	4573.89	4245.09	8818.98	53268.17
Transport Equipment	3849.78	413.1	0.93	4261.95	613.59	524.86	1138.45	3123.50
Furniture & Fittings	293.99	135.13	0.38	428.74	118.09	86.06	204.15	224.59
TOTAL	56657.53	19828.39	49.44	76436.48	5588.92	5120.15	10709.07	65727.41

Depreciation includes depreciation capitalised to the extent Rs.283763/- relating to year 2016-17.

Particulars	Gross cost on 31st March 2016	Additions 2016-17	Disposal 2016-17	Gross cost 31st March 2017	Dep. for 2016-17	Dep. upto 31st March 2017	WDV 31st March 2017
Intangible Assets	42.45	1.05	0.00	43.5	7.31	14.40	29.10
Investment Property	15.58	0.00	0.00	15.58	2.63	6.13	9.45

NOTE NO: 2.2

Particulars	31st March 2017	31st March 2016	01st April 2015
Capital work-in-progress	2966.31	6079.49	2645.95
Total	2966.31	6079.49	2645.95

Notes Forming Part of Consolidated Accounts

Note-3

(Rs. in Lakhs)

Non-Current Investments	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1) Investment in Associate: 2,90,94,594 (31st March 2016: 2,90,94,594) fully paid Equity Shares of Rs.10/- each in The Andhra Petrochemicals Ltd.,	4169.42	4301.41	5323.54
2) Investment in Other Companies			
a) 38,704 (31st March 2016: 38,704) fully paid Equity Shares of Rs.10/- each in Andhra Bank	22.43	20.23	30.59
b) 1391 (31st March 2016: 1391) Equity Shares of Rs.10/- each , fully paid up in Indian Bank (Quoted)	3.87	1.46	2.41
c) 200 Equity Shares of Rs. 10 each fully Paid -Up in The Industrial Finance Corporation of India	0.06	0.05	0.07
d) 11,360 Equity Shares of Rs.10 each fully paid up in Industrial Development Bank of India	8.53	7.88	8.06
3) TRADE INVESTMENTS			
a) 1,40,000 (31st March 2016: 1,40,000) fully paid Equity Shares of Rs.10/- each in Sree Akkamamba Textiles Ltd.,	70.00	70.00	84.00
b) 1,10,04,080 (31st March 2016 : 1,10,04,080) fully paid Equity shares of Rs.10/- each in Andhra Pradesh Gas Power Corporation Ltd.,	21530.33	16423.59	23609.26
4) Investment in Govt Securities :-			
a) National Plan Saving Certificates (lodged with Govt. Department towards Security)	0.87	0.87	0.77
Total	25805.50	20825.49	29058.70
Aggregate amount of un quoted Investments	21601.20	16494.46	23694.03
Aggregate amount of quoted investments	4204.31	4331.03	5364.67
Total	25805.50	20825.49	29058.70
Aggregate amount of quoted Investments - Market Value	7439.46	3244.55	3427.73

Details of Material Associate

Name of the associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
The Andhra Petrochemicals Limited	Manufacturers of Oxo Alcohols	India	34.23	34.23	34.23

Pursuant to a shareholding agreement, the group has the right to cast 34.23% of the votes at shareholders meeting of The Andhra Petrochemicals Ltd.

Notes Forming Part of Consolidated Accounts

Details of material Subsidiaries

(Rs.in Lakhs)

Name of the Subsidiaries	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Jocil Limited	Manufacturers of Fatty Acids & Generation of Power	India	55.03	55.03	55.03
The Andhra Farm Chemicals Corporation Limited	Manufacturers of Hydrogen Hydrite	India	76.83	76.83	76.83
Hindustan Allied Chemicals Limited	NIL	India	77.36	77.36	77.36

Current Investments	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment in Liquid / Debt Mutual Funds	Amount	Amount	Amount
HDFC Mutual Fund	505.40	----	----
Birla Sun Life Mutual Fund	3310.22	----	----
Reliance Mutual Fund	3022.41	----	----
ICICI Mutual Fund	1855.76	----	----
UTI Mutual Fund	446.69	----	----
L & T Mutual Fund	336.85	----	----
Axis Mutual Fund	500.14	----	----
HDFC-Liquid funds- Dividends-Daily Reinvest	3.10	5.11	5.24
Total	9980.57	5.11	5.24

Category wise investments- as per Ind AS 109 classification

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial assets carried at fair value through profit or loss(FVTPL) Mandatorily measured at FVTPL	9980.57	5.11	5.24
Financial assets carried at amortised cost Debt/Equity Instrument	27146.23	19785.98	19809.13
Financial assets measured at FVTOCI Debt/Equity Instrument	25805.50	20825.49	29058.70
Total	62932.31	40616.58	48873.07

Reasons for classification of Financial Assets as per Ind AS 107:

(a) The company has classified all the current investments under fair value through profit or loss as they are held for trading. (b) For Non current investments which are not held primarily for trading, the company has elected an irrevocable option of classifying them as fair value through other comprehensive income. (c) Accounting for investments in Subsidiaries and Associates are mentioned in policy 2 of note: - (a) and (b) respectively"

Notes Forming Part of Consolidated Accounts

Note - 4

(Rs. in Lakhs)

Loans (Non-Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans to related parties Unsecured, considered good	4000.00	1600.00	1800.00
Total	4000.00	1600.00	1800.00

Loans and advances (Related Parties)	Non-Current			Current		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans and advances to Associate (The Andhra Petrochemicals Ltd.) (Unsecured, considered good)	4000.00	1500.00	1500.00			
Total	4000.00	1500.00	1500.00	0.00	0.00	

Note - 5

Other Financial Assets (Non-Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposits with government authorities Earnest Money Deposit Bank Deposits with more than 12 months maturity	109.21	64.74	64.74
Total	109.21	64.74	64.74

Notes Forming Part of Consolidated Accounts

Note - 6

(Rs. in Lakhs)

Other Non-current Assets	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Advances	1145.63	1899.94	1766.25
(A)	1145.63	1899.94	1766.25
Advances other than Capital Advances			
Security Deposits	2207.26	2224.29	1150.88
(B)	2207.26	2224.29	1150.88
Prepaid expenses	13.87	16.91	13.09
Unamortized expenditure	0.94	0.94	0.94
Balance in Gratuity Fund (net of obligations)	176.69	223.81	235.25
(C)	191.50	241.66	249.28
Total (A+B+C)	3544.39	4365.89	3166.41

Note - 7

Inventories (valued at lower of cost and net realizable value)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw materials and components at Cost	3848.62	2473.00	3384.84
Work-in-progress			
: At Cost	2476.45	1952.62	1902.95
: At Estimated Realisable Value	18.72	38.95	125.36
Finished goods			
: At Cost	13904.48	15364.49	4571.48
: At Estimated Realisable Value	5514.11	9340.68	23884.21
Stores and spares at Cost (includes in transit)	4416.43	4857.69	4523.16
Loose tools	35.61	36.53	38.79
Others	28.37	29.70	27.44
Total	30242.79	34093.66	38458.23

The mode of valuation of inventories has been stated in note "9" in significant accounting policies

Amount of goods in transit is Rs.226.93 Lakhs.

Note - 8

Current Investments	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment in Mutual Funds	9980.57	5.11	5.24
Total	9980.57	5.11	5.24

Notes Forming Part of Consolidated Accounts

Note - 9

(Rs. in Lakhs)

Trade receivables (Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured, considered good	46.29	33.50	33.50
Unsecured, considered good (Less than 6 Months from Due Date)	17784.65	15224.48	14432.63
Unsecured, considered good (More Than 6 Months)	679.98	-	37.19
Doubtful	161.90	161.90	22.68
	18672.82	15419.88	14526.00
Provision for doubtful receivables	161.90	161.90	10.02
Loss allowance provided	22.33	49.87	72.80
Total	18488.59	15208.11	14443.18

Note - 10

Cash and cash equivalents	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash and Cash Equivalents :			
Balances with Banks:			
On current accounts	2144.47	1013.89	812.65
Other Deposits	115	90.00	
Cheques/drafts on hand	130.05	273.75	296.53
Cash on hand	66.95	16.78	28.77
(A)	2456.47	1394.42	1137.95
Other Bank Balances :			
For more than 3 months but less than 12 months	5.60	123.60	198.98
On Unpaid dividend account	126.55	163.52	118.87
Earmarked Balances with Banks (15% Liquidity on Fixed Deposits held under The Companies Act 2013)	1419.94	587.19	1410.44
Margin money deposit	253.77	309.10	302.59
(B)	1805.86	1183.41	2030.88
Total	4262.33	2577.83	3168.83

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank notes	Other Denomina- tion notes	Total
Closing cash in hand as on 08.11.2016	16.35	13.80	30.15
Add: Permitted receipts	6.21	171.46	177.66
Less: Permitted payments	5.42	131.14	136.56
Less: Amount deposited in banks	17.13	24.26	41.39
Closing cash in hand as on 30.12.2016	0.00	29.86	29.86

Notes Forming Part of Consolidated Accounts

Note - 11

(Rs. in Lakhs)

Loans (Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit (A)			
Loans to related parties Unsecured, considered good	100.02	200.00	200.00
(B)			
Provision for doubtful advances	100.02	200.00	200.00
TOTAL [A+B]	100.02	200.00	200.00

Note - 12

Other Financial Assets (Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest accrued on other Deposits	205.21	179.48	148.39
Claims receivable	90.08	20.56	48.73
Total	295.29	200.04	197.12

Notes Forming Part of Consolidated Accounts

Note - 13

(Rs. in Lakhs)

Other Assets (Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposits	74.83	82.33	84.87
(A)	74.83	82.33	84.87
Other Advances			
Advances recoverable in cash or kind			
Unsecured, considered good	2017.83	1170.10	1832.80
Doubtful	20.62	20.62	20.62
	2038.45	1190.72	1853.42
Provision for doubtful debts	20.62	20.62	20.62
	2017.83	1170.10	1832.80
Excise Duty paid in advance (including CENVAT credit pending utilisation)	949.14	508.89	345.65
Prepaid expenses	280.03	257.42	255.74
Balance with Statutory/government Authorities	1891.98	1229.45	645.59
Others	1.22	1.38	4.17
(B)	5140.20	3167.25	3083.95
Total [A+B]	5215.03	3249.58	3168.82

Note - 14

Share Capital	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Authorised Share Capital:			
2,87,50,000 (31 March 2016 : 2,87,50,000) Equity shares of Rs.10/- each	2875.00	2875.00	2875.00
30000(31st March 2016:30000)'9.5% First Cumulative Redeemable Preference Shares of Rs 100/- each.	30.00	30.00	30.00
95000 (31st March 2016:95000)'9.5% Second Cumulative Redeemable Preference Shares of Rs 100/- each.	95.00	95.00	95.00
	3000.00	3000.00	3000.00
Issued Share Capital:			
27113091 (31st March 2016: 27113091)' Equity shares of Rs.10 /- each	2711.31	2711.31	2711.31
Subscribed and fully paid-up :			
27107078 (31st March 2016: 27107078) Equity shares of Rs.10 /- each "fully paid up"	2710.71	2710.71	2710.71
Forfeited amount on 6013 shares of Rs.10/-each,Rs.5/-paid up	0.30	0.30	0.30
Total issued, subscribed and fully paid-up capital	2711.01	2711.01	2711.01

Notes Forming Part of Consolidated Accounts

(Rs.in Lakhs)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	At 31st March 2017		At 31st March 2016		As At 1st April 2015	
	No.	Rs.	No.	Rs.	No.	Rs.
Equity Shares						
At the beginning of the period	271.07	2710.71	271.07	2710.71	271.07	2710.71
Add: Fresh Issue during the year	--	--	0.00	-	-	-
Less: Buy Back of Shares during the year	--	--	0.00	-	-	-
Outstanding at the end of the period	271.07	2710.71	271.07	2710.71	271.07	2710.71

b. Shareholders holding more than 5% shares	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
"Details of shareholders holding more than "5% shares in the company"	Nil	Nil	Nil

C) Rights, Preference and restrictions attached to Equity shares

- 1) The Company has only one class of Equity shares having a face value of Rs 10/- each. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of Company, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.
- 2) The Board recommended interim dividend of Rs.5/- per share on 14.03.2016 and the same was approved as final dividend by the shareholders at its Annual General Meeting. The Company announced a dividend of Rs.3/- per share to the holders of equity shares on 26.09.2015.
- 3) The Consolidated Financial statements of the Company were approved by Board of Directors on 27th May, 2017.

Notes Forming Part of Consolidated Accounts

Note - 15

(Rs. in Lakhs)

Other Equity	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Reserve			
Capitalisation of bonus shares	52.45	52.45	52.45
Capital Redemption Reserve			
Balance as per the last Financial Statements	3.84	3.84	3.84
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	21.82	21.82	66.83
Capital Subsidy	21.82	21.82	66.83
Total Capital Reserve	78.12	78.11	123.12
Forfeited Debentures	0.30	0.30	0.30
Securities Premium	1560.70	1560.70	1560.70
General Reserve			
Balance as per the last Financial Statements	46035.98	44760.83	45496.62
Add: Amount transferred from Retained Earnings	2000.00	1275.15	590.40
Add/Less: Ind AS Adjustments	--	--	(1326.20)
Closing Balance	48035.98	46035.98	44760.82
Fair Value Reserve			
Gain on account of Fair Valuation of Investments	14450.24	10342.17	17549.55
Actuarial gains/losses	(567.64)	(89.05)	(38.34)
Closing Balance	13882.60	10253.12	17511.21
Surplus/(Deficit) in the Statement of Profit and Loss			
Balance as per the last Financial Statements	17704.29	15796.05	17025.84
Profit for the year	12051.05	4639.75	337.6
Profits attributable to owners of parent company	342.23	982.45	698.48
Profit/(loss) from associate due to Ind AS Transition adjustments	--	--	--
Share of Profit/(loss) from Associate	(251.96)	(810.54)	(1523.89)
Minority Share of Profits			
Ind As transition adjustment	--	--	0.48
Other Comprehensive Income	(888.30)	1786.38	--
Other Comprehensive Income attributable to owners of parent company	(70.92)	(7.40)	--
Share of OCI from associate	119.97	(211.59)	--
	29006.36	22175.10	16669.52
Less : Appropriations			
Final Equity Dividend (Amount per share Rs. 0.75)	--	293.24	--
Interim Dividend Paid @ Re.1/- per Share	--	1697.46	--
Dividend on 12% Preference Shares	--	--	--
Tax on Distributed Profits	--	391.75	--
Transfer to Capital Redemption Reserve	--	813.21	--
Transfer to General Reserve	2000.00	1275.15	873.47
Total Appropriations	2000.00	4470.81	873.47
Net Surplus in Statement of Profit and Loss	27006.36	17704.29	15796.05
Total Reserves and Surplus taken to Balance Sheet	90564.05	75632.50	79752.20

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

General reserve: The general reserve is used from time to time profits from retained earnings for appropriation purposes

Fair value reserve: This reserve represents the cumulative gain or loss arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

NOTE:

- 1) The amount that can be distributed by the company as dividends to equity shareholders is determined based on separate financial statements and as per the requirements of companies Act 2013.
- 2) In respect of the year ended 31, March, 2017 the directors propose that a dividend of Rs.10 per share shall be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting. The proposed equity dividend is payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.2711.01

Notes Forming Part of Consolidated Accounts

Note - 16

(Rs. in Lakhs)

Deferred Government Grant	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest Subvention Loan	142.58	322.84	--
Deferred Sales Tax Loan	1061.94	1299.00	--
Capital Investment Subsidy			
Wind Power Unit at Ramgiri	0.00	8.33	--
Caustic Soda Unit at Saggonda	7.65	13.82	--
Total	1212.17	1643.99	--

Note - 17

BORROWINGS (Non-Current) :	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Rupee Term Loans from Banks - Secured			
Term loan for 3 MW Solar Power Plant (Secured)	--	110.58	610.77
Term loan for Railway Wagons (Secured)	238.67	752.00	--
33 MW Power Plant Term			
Loan from Andhra Bank (Secured)	466.33	--	--
33 MW Power Plant Term Loan			
from Axis Bank (Secured)	6250.04	--	--
Interest Subvention Loan (Secured)	2499.91	1017.41	2071.61
[A]	9454.95	1879.99	2682.38
Other Loans and advances:			
Deferred Sales Tax Loan (Unsecured)	2121.50	2155.12	3706.99
[B]	2121.50	2155.12	3706.99
Other Loans and advances:			
Deposits (unsecured)			
From Directors	9157.25	9441.45	6951.40
From Related parties (HACL)	2475.40	1799.95	--
From Others	--	--	1506.70
[C]	11632.65	11241.40	8458.10
Total [A+B+C]	23209.10	15276.51	14847.47

The above amount includes

Secured borrowings	9,454.95	1,879.99	2,682.38
Unsecured borrowings	13,754.15	13,396.52	12,165.09

Notes Forming Part of Consolidated Accounts

Term Loans as on 31st March 2017 From Banks Comprises of :

(Rs. in Lakhs)

Particulars	Interest Subvention Loan	Rail Tanker Wagons Loan	33 MW Term Loan	33 MW Term Loan
a) Loan Sanctioned	Rs. 2194.00	Rs.1540.00	Rs.10000.00	Rs.4000.00
b) Loan Availed	Rs. 2193.47	Rs. 1522.00	Rs. 7142.92	Rs. 2857.05
c) No. of Installments	36 Monthly Installments after 2 years Moratorium Period.	12 Quarterly	32 Quarterly	32 Quarterly
d) Installments Commencing from	Feb, 2016	Oct, 2015	June, 2017	June, 2017
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+ 1.35% p.a.	Base Rate+0.40 % (Spread)+.50 % (Term per EQI) p.a	Base Rate+ 1.15% p.a.
f) Installment Amount	Rs.60.95	Rs. 128.33	Rs. 223.22	Rs. 89.29
g) Lending Bank	Andhra Bank	State Bank of India	Andhra Bank	Axis Bank
h) Security	Pari Passu Second Charge on Fixed Assets of the Company	Exclusive First Charge on Assets created out of the loan	Pari Passu First Charge by way of Hypothecation Movable and Immovable Assets	Pari Passu First Charge by way of Hypothecation Movable and Immovable Assets

Note on undrawn borrowing facilities:

The company have been sanctioned with an aggregate term loan of Rs.14000 lakhs i.e;Rs.10000 lakhs from Andhra Bank & Rs.4000 lakhs from Axis Bank.The company have availed the loan amount so far to the extent of Rs.7,143 lakhs from Andhra Bank & RS.2,857 lakhs from Axis Bank.Keeping in view financial strength of the company the management has decided to not to utilise the undrawn sanctioned amount i.e;Rs.4000 lakhs. The same has been informed to the lenders.

The carrying amounts of assets pledged as security for term loans:

Particulars	Rail tanker wagons			33 MW power plant		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Railway tank wagon	2082.01	2176.34	2201.00	-	-	-
Land	-	-	-	55.18	20.06	-
Buildings	-	-	-	1085.31	-	-
Plant and Machinery	-	-	-	17081.17	-	-
Furniture and Fixtures	-	-	-	13.34	-	-
Total	2082.01	2176.34	2201.00	18234.99	20.06	0.00

Notes Forming Part of Consolidated Accounts

Note - 18

(Rs. in Lakhs)

OTHER FINANCIAL LIABILITIES (Non-Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Deposits	186.11	164.39	139.95
Staff Security deposits	11.40	16.91	17.56
Deposits Payable-Contractors	8.91	8.91	
Outstanding Liabilities for Expenses	-	0.92	1.18
Total	206.42	191.13	158.69

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial liabilities at amortised cost	38781.77	27449.13	29939.89
Financial liabilities carried at fair value through profit or loss	2587.83	3172.52	5778.60
Total	41369.60	30621.65	35718.49

Due to Small and Medium Enterprises	2017	2016	2015
a) Principal amount and interest due thereon remaining period	0.01	0.01	0.00
b) Interest paid in terms of section 16 of MSMED Act	0.01	0.06	0.06
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	0.00	0.00	0.00
d) Interest accrued and remaining unpaid at the end of the year	0.01	0.01	0.06
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	0.00	0.00	0.00

Note - 19

PROVISIONS (Non-current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits:			
Provision for gratuity	262.63	176.04	488.58
Provision for leave benefits	491.86	369.36	290.89
Total	754.49	545.40	779.47

Notes Forming Part of Consolidated Accounts

1) Statement of additions, write off and payments closing as per ind as 37-para 84 a-e (Rs. in Lakhs)

Movement in provisions	Employment benefits	Income tax	Wealth tax
Balance at 01/04/2016	1,284.08	11295.45	15.00
Additional provisions recognized	169.07	-	-
Balance at March 31st 2017	1,453.15	11,295.45	10.00

Note - 20

OTHER NON-CURRENT LIABILITIES	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade payables	-	-	-
Total	-	-	-
Others			
Outstanding Liabilities for Trade Payables for Expenses	-	-	-
Outstanding Liabilities for Others-Other than Financail Liability	4,111.26	4,371.47	3,979.81
Total	4,111.26	4,371.47	3,979.81

Note - 21

BORROWINGS (Current):	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash Credit from Banks			
: Secured	3,474.24	4,337.11	12,697.97
: Unsecured			
Other Short Term Borrowings	-	1,331.82	963.62
Working Capital Loans	1,210.13	139.52	452.59
Deposits (unsecured)			
Deposits from Directors/Related Parties (Refer Note No.)	153.13	216.12	17.00
Deposits from Share holders and Public	405.01	503.04	441.18
Loans From Directors	124.64	191.64	291.08
Deposits from Others	96.75	87.52	-
The above amount includes	5,463.90	6,806.77	14,863.44
Secured borrowings	5,684.37	5,808.45	14,114.18
Unsecured borrowings	779.53	998.32	749.26
Total [A+B+C]	6,463.90	6,806.77	14,863.44

Amount disclosed under the head "Other current liabilities"(Note)

- 1) Cash Credit is Secured by Hypothecation of inventories and receivables, and colleterally 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,3 MW Solar Plant at Kovvur,ISRO Plants and 33 MW Power Plant assets, ranking pari passu among the members of the consortium of working capital lending banks.

Notes Forming Part of Consolidated Accounts

- 2) Foreign Currency Exposure hedged by derivative Instruments as on 31st March 2017 Nil and as on 31.03.2016 is Rs.686.60 Lakhs.
- 3) Working capital loan of JOCIL from Andhra Bank and S.B.I are secured by way of hypothecation of current assets of the company on pari passu basis
- 4) The above working capital loan of JOCIL from Andhra bank carries an interest of 10.55% and S.B.I carries an interest of 10.3%
- 5) Term loans of JOCIL HDFC carries an interest @9.5% and repayable within 90 days of withdrawl

(Rs. in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade receivables	24701.96	28643.95	32961.07
Inventories	9389.75	9075.02	9662.31

Note - 22

Trade payables	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Due to Micro and Small Enterprises	4.10	19.21	8.61
Due to Others	7,119.23	2,982.49	2,861.65
Total	7,123.33	3,001.70	2,870.26

Note - 23

OTHER FINANCIAL LIABILITIES(Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Others			
Current Maturities of Long Term Borrowings	7,227.13	5,295.80	3,871.80
Interest Accrued but not due on borrowings	431.31	394.70	336.74
Interest Accrued and due on borrowings	1.43	-	-
Unclaimed Dividend	125.14	162.12	117.63
Unclaimed matured deposits And interest accrued thereon	48.60	59.59	33.16
Accrued Salaries and Benefits	1,383.65	1,402.94	656.61
Directors Remuneration Payable	1,494.04	666.35	20.49
Staff Security Deposit	10.37	6.82	7.27
Employee Related payments	--	-	152.08
Fuel surcharge adjustment payable	--	5.35	5.35
Outstanding Liabilities for Others	19.66	15.62	12.88
Total	10,741.33	8,009.29	5,214.01

Note - 24

Other Current Liabilities	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Revenue received in advance	359.47	285.22	512.77
Statutory Dues	2,160.07	2,711.69	2,189.23
Others	2,046.46	2,221.04	2,641.13
Total	4,566.00	5,217.95	5,343.13

Notes Forming Part of Consolidated Accounts

Note - 25

(Rs. in Lakhs)

PROVISIONS (Current)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits:			
Provision for gratuity	36.08	311.66	306.17
Provision for leave benefits	662.58	427.02	385.82
Total	698.66	738.68	691.99

Note - 26

Deferred Tax Liability (Net)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred Tax Liability			
Deferred Tax Liability on PPE	12,150.11	10,058.22	10,698.74
On Legal Cases Discounting	705.11	695.83	-
On Current Investments	54.97	-	-
Deferred Tax Liability on Investments	1,499.61	611.31	2,397.68
Gross Deferred Tax Liability	14,409.80	11,365.36	13,096.42
Deferred Tax Asset			
MAT Credit	1,556.56	4.65	112.34
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,106.28	1,040.22	808.86
Provision for doubtful debts and advances	70.90	62.81	14.98
Unabsorbed Losses	-	75.39	215.97
Employee benefits related and others	-	-	230.15
Gross Deferred tax asset	2,733.74	1,183.07	1,382.30
Net Deferred Tax Liability	11,676.06	10,182.29	11,714.12

Details of Deferred tax for the year 2016-17

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit/loss	Recognised in Comprehensive Income	Closing balance
Non-current Investments	(611.31)	0.00	(888.30)	(1499.61)
Current Investments	-	(54.97)	-	(54.97)
Property, Plant and Equipment	(10058.22)	(2091.89)	0.00	(12150.11)
Legal cases	(695.83)	(9.28)	0.00	(705.11)
Provison for doubtful debts & Expected credit loss	62.81	8.09	0.00	70.90
Expected credit loss	0.00	0.00	0.00	0.00
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	1040.22	66.06	0.00	1106.28
Unabsorbed Losses	75.39	(75.39)	-	-
MAT Credit	4.65	1551.91	-	1556.56
Total	(10182.29)	(605.47)	(888.30)	(11676.06)

Notes Forming Part of Consolidated Accounts

Details of Deferred tax for the year 2015-16

(Rs. in Lakhs)

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in profit/loss	Recognised in Comprehensive Income	Closing balance
Non-current Investments	(2397.68)	0.00	1786.36	(611.32)
Property, Plant and Equipment	(10698.74)	640.52	0.00	(10058.22)
Legal cases	0.00	(695.83)	0.00	(695.83)
Provision for doubtful debts & Expected credit loss	14.98	47.83	0.00	62.81
Expected credit loss	0.00	0.00	0.00	0.00
Expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	808.86	231.36	0.00	1040.22
Unabsorbed Losses	215.97	(140.58)	--	75.39
Employee Benefit Expenses	230.15	(230.15)	--	0.00
MAT Credit	112.34			4.65
	(11714.12)	(146.85)	1786.36	(10182.30)

Note - 27

Current Tax Assets (Net)	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance tax			
Advance payment of Direct Taxes/TDS	14,395.17	11,624.29	12,518.38
Income Tax Deducted at source	175.81	144.44	132.99
Income Tax Refund Receivable	17.99	357.25	17.99
	14,588.98	12,125.98	12,669.36
Provision for Tax			
Provision for Wealth tax	10.00	10.00	15.00
Provision for Income tax	13,768.10	10,171.08	11,295.45
	13,778.10	10,181.08	11,310.45
Total	810.88	1,944.90	1,358.91

Notes Forming Part of Consolidated Accounts

Note - 28

(Rs. in Lakhs)

Revenue from operations	This Year	Previous year
Sale of products:		
Finished goods	136010.40	133690.52
Sale of services	391.14	
Other operating revenue		
Freight & Sale Expenses Recovered	1014.43	772.31
Subsidy Received on Super phosphate Sales	535.28	707.80
Processing & Job Work Income	0.19	600.96
Revenue from operations (gross)	137951.43	135771.59

Note - 29

Other Income	This Year	Previous year
Interest income on		
Bank deposits	307.83	360.54
Others	240.87	234.82
Interest on loan to APL	393.70	195.00
Dividend income on	0.00	--
Long-term investments	3.02	3.72
Current Investments	12.99	9.87
Investment in subsidiary	--	635.25
Rent received	47.25	61.83
Export Incentive	121.79	127.67
Net gain on sale of Assets	1.47	5.59
Government Grant		
Ramgiri	8.33	16.67
Saggonda	6.18	6.18
Interest Subvention Loan A/C	180.26	210.06
Deferred Sales Tax Loan A/C	237.06	238.63
Exchange difference	--	96.73
Net gain on Sale of Current Investments	152.49	170.66
Net gain on Revaluation of Current Investments	158.84	--
Other non-operating income #	745.69	388.53
Total	2617.77	2761.75

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

# Other non-operating income includes :	This Year	Previous year
Excess Provision In Earlier Years Credited Back	135.49	24.14
Claims Received	43.33	131.66
Weighment Charges Received	3.87	6.89
Refund of Cross Subsidy from APEPDCL for 2015-16	361.08	
Income not relating to this year	16.62	0.48
Income from Agriculture (Net)	0.00	34.50
Misc. Scrap Sales	72.05	76.15
Excise Duty Recovery-Scrap Sales	2.54	0.60
Misc. Receipts	110.71	114.11
Total	745.69	388.53

Note - 30

Cost of raw material consumed	This Year	Previous year
Inventory at the beginning of the year	2472.98	3384.83
Add: Purchases	53931.45	57882.02
Less: Sale of raw material	516.15	431.25
Less: Inventory Written off	1.15	0.00
Less: Inventory at the end of the year	3848.61	2472.98
Cost of raw material consumed	52038.52	58362.62

Note - 31

(Increase)/decrease in inventories	This Year	Previous year	Increase/Decrease in Inventory
Changes in Inventories at the end of the year			
Work in progress	2495.17	1991.57	(503.60)
Finished goods	19418.59	24702.82	5284.23
	21913.76	26694.39	4780.63
Inventories at the beginning of the year			
Work in progress	1991.57	2028.31	36.74
Finished goods	24705.17	28455.69	3750.52
	26696.74	30484.00	3787.26

Notes Forming Part of Consolidated Accounts

Note - 32

(Rs. in Lakhs)

Employee benefit expense	This Year	Previous year
Salaries, wages and bonus	9932.16	9074.78
Contribution to provident and other fund	975.30	1014.39
Gratuity expense	232.49	236.01
Staff welfare expenses	454.13	391.00
Total	11594.08	10716.18

Defined benefit plans :

The following table set out the funded status of the Gratuity Plans(funded) and compensated absences (unfunded) the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016:

Particulars	Gratuity		Compensated absences
	As at		As at
	31-Mar-17	31-Mar-16	31-Mar-17
Change in benefit obligations			
Benefit obligations at the beginning	3627.93	4293.82	552.13
Service cost	606.00	281.52	33.18
Interest expenses	290.24	343.51	36.75
Remeasurements - Actuarial (gains)/losses	62.43	(115.19)	425.34
Benefits paid	(387.45)	(332.69)	(161.92)
Benefit obligations at the end	4,199.14	4470.97	885.48

Particulars	Gratuity	
	As at	
	31-Mar-17	31-Mar-16
Fair value of plan assets at the beginning of the year	3403.38	3018.11
Interest income	270.70	251.99
Transfer of assets (net)		
Remeasurements - Return on plan assets excluding amounts included in interest income	4.96	-
Contributions	399.97	427.47
Benefits paid	(387.45)	(294.19)
Fair value of plan assets at the end	3,691.56	3,403.38

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Reconciliation of Present value of defined benefit obligations and fair value of plan assets	Gratuity	
	As at	
	31-Mar-17	31-Mar-16
Present value of obligations at the end of the period	4,199.14	4,470.97
Fair value of Plan assets at the end of the year	3,691.56	3,403.38
Fund balance/(plan liability) recognised in the balance sheet	507.58	1067.59

Amount recognised in Balance Sheet	Gratuity		Compensated absences
	As at		As at
	31-Mar-17	31-Mar-16	31-Mar-17
Present value of obligation at the end of the period	4199.14	4470.97	885.48
Fair value of plan assets at the end of the period	3691.56	3403.38	-
Net (liability)/asset recognised in Balance Sheet	507.58	1067.59	885.48

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of Profit and Loss under employee benefit expenses head.

Particulars	Gratuity		Compensated absences
	As at		As at
	31-Mar-17	31-Mar-16	31-Mar-17
Service cost	606.00	228.36	33.18
Net interest on the net defined benefit liability/asset	21.98	206.26	36.75
Expected contributions by employees	(395.49)	-	-
Return on plan assets	-	(174.89)	-
Net expense recognised	232.49	259.73	69.93

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Compensated absences
	Year ended		As at
	31-Mar-17	31-Mar-16	31-Mar-17
Actuarial (gain)/losses on obligations for the period	62.44	(130.99)	425.34
Return on plan assets, excluding interest income	7.40	-	-
Net (income)/expenses for the period recognised in OCI	55.04	(130.99)	425.34

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

Assumptions	Gratuity		Compensated absences
Particulars	Year ended		As at
	31-Mar-17	31-Mar-16	31-Mar-17
Expected return on plan assets	7.22%	8.00%	Nil
Rate of discounting	7.22%	8.00%	7.50%
Rate of salary Increase	7.00%	7.00%	10.00%
Rate of employee turnover	10.00%	4.00%	-
Attrition rate	-	-	2.00%

Note - 33

Depreciation and amortization expense	This Year	Previous year
Depreciation of tangible assets	5119.94	5590.35
Amortization of intangible assets	7.30	7.09
Total	5127.24	5597.44

Note - 34

Finance Costs	This Year	Previous year
Interest	2867.10	2696.18
Less : Capitalised Cost	354.05	
	2513.05	2696.18
Diff in Exchange treated as Finance Cost	5.26	105.23
Other Borrowing Costs	55.98	71.87
Total	2574.29	2873.28

Notes Forming Part of Consolidated Accounts

Note - 35

(Rs. in Lakhs)

Other expenses	This Year	Previous year
Consumption of stores and spares	3654.30	4038.64
Increase/(decrease) of excise duty on inventory	(453.70)	344.63
Power and fuel	0.00	0.00
Sugarcane development Expenses	105.55	79.58
Rent	66.76	55.45
Rates and taxes	523.39	656.58
Insurance	211.42	215.87
Repairs and maintenance		
Plant and machinery	3299.68	3347.46
Buildings	274.32	250.30
Others	650.01	545.86
Advertising and sales promotion	69.87	27.05
Handling Transport & Expenses	5485.55	5466.09
Sales commission	350.64	314.18
Bank Charges	82.72	68.25
Traveling Expenses	0.07	0.15
Legal and professional fees	0.35	0.45
Directors' sitting fees	23.25	21.47
Payment to auditors (Refer details below)	50.05	37.43
Exchange differences (net)	65.92	-17.91
Donations	140.27	55.20
CSR Expenditure	141.98	171.00
Assets Written off	0.37	2.29
Rawmaterials Written off	1.15	-
Finished Goods Written off	2.35	-
Stores & Spare written off	4.04	3.08
Provision for doubtful debts and advances	0.00	146.89
Reversal of Loss allowance provided	(27.54)	(10.27)
Provision for diminution in the value of investments	-	1.35
Loss on sale of fixed assets (net)	0.00	1.56
Bad Debts written -off	8.77	0.00
Excess off take charges to ISRO	264.06	124.49
Net loss on Sale of long term Investments	0.00	0.00
Loss from Agriculture(Net)	(9.89)	2.85
Miscellaneous expenses	1205.39	1103.15
Total	16191.10	17053.12

Payment to Auditors	This Year	Previous year
As Auditor	17.70	16.64
For Taxation Matters	4.92	4.01
For Limited review & Other Certification	19.45	9.07
For Reimbursement of Expenses	1.98	1.31
As Cost Auditors	5.50	5.40
Fee for Certification	0.11	0.66
For Reimbursement of Expenses	0.33	0.34
Total	49.99	37.43

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

CSR Expenditure	This Year	Previous year
Sri Mullapudi Venkataramanamma Memorial Hospital, Tanuku	85.21	–
LED Lights to Tanuku Municipality	10.00	–
Others	4.67	–
Sri Mullapudi Venkatarayudu Memorial Medical Trust, Tanuku	–	91.00
Sree Mullapudi Venkatarayudu Memorial Educational Trust	–	20.00
Mullapudi Kamala Devi Cardiovascular Centre Trust-Tanuku	–	–
Sree Pendyala Venkata Krishna Rangaraya Memorial Trust	–	10.00
Sree Mullapudi Thimmaraju Memorial Library & Cultural Centre	–	10.00
Other JOCIL	42.1	40.00
	141.98	171.00

a.

Items that will not be reclassified to P&L	This Year	Previous year
Remeasurement of Defined Benefit Plan Loss/(Gain)		
Gratuity	(64.94)	152.44
Leave Encashment	(425.34)	(218.94)
Increase/Decrease in Fair Value of Investments	4109.50	(7,209.89)
Deferred Tax Liability on above items		
On Associate, Subsidiary and Joint Venture	(75.11)	3.54
On Long Term Non- Quoted Investments	(813.19)	1,782.84
Total	2,730.92	(5,490.01)

Share of OCI from APL	119.97	(211.59)
Other comprehensive Income	2,850.89	(5,701.60)
Less; Minority Interest	60.66	(10.91)
Other comprehensive Income after Minority Interest	2,790.23	(5,690.69)

The amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss is Rs.17.91 lakhs(gain) and 77.20 lakhs(gain) during the period 2015-16 and 2016-17 respectively.

Notes Forming Part of Consolidated Accounts

	As at 31-3-2017	(Rs. in Lakhs) As at 31-3-2016
36 Estimated amount of contracts remaining to be executed on Capital Account and not provided for	4626.29	14114.35
37 a) Uncalled liability on partly paid shares held as Investments	24.66	24.66
b) Liability on account of membership in Alkali Manufacturers' Association of India, a Company limited by Guarantee	0.01	0.01
c) Other Commitments in respect of sale contracts	6853.93	3905.64
38. Claims against the Company not acknowledged as debts relating to the following areas :		
i) Excise	2789.67	2907.12
ii) Service Tax	88.59	88.59
iii) Sales Tax	146.03	146.03
iv) Income Tax	458.04	392.41
v) State Levies	29.35	230.73
vi) Suppliers and Service Contract	42.60	42.60
vii) Labour related	5.00	5.00
- viii) Other contracts	4.08	3.96
39. 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	1749.06	1862.30
(b) On letter of Credit opened with banker for purchase of Material	844.48	437.00
(c) Under the provisions of "The Levy Sugar Price Equalization 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.		
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 2008-2009 by GovtIndia, New Delhi, against payment of buffer stock subsidy dues, which was protested by the company.		
40. Disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium enterprises Development Act 2006 ("The Act").		31.03.2017
1. Amount remaining unpaid to any " Supplier" at the end of the year,		
(a) Principal amount of bills to be paid		0.00
(b) Interest due thereon		0.01
2. Payments made to suppliers, during the year, but beyond appointed / agreed by		
(a) Payments made to Suppliers.		0.73
(b) Interest paid along with such payments during the year u/s 16 of the Act.		0.00

Notes Forming Part of Consolidated Accounts

(Rs. in Lakhs)

- | | | |
|----|--|-------------|
| 3. | The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under MSMED Act, 2006 | 0.00 |
| 4. | Amount of interest accrued and remaining unpaid, at the end of each accounting year | 0.01 |
| 5. | Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006 | 0.00 |

Note: For the purpose of the above details of the status of the supplier's 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.

41. Loans and Advances include an amount of Rs.4000.00 Lakhs (Rupees Forty Crores only) being the amount given as an Inter Corporate Advance u/s 186 of the Companies Act 2013, to The Andhra Petrochemicals, an associate of the company, on the following terms and conditions.

- | | | |
|----|-------------------|---|
| a) | Amount of Advance | : Rs.4000.00 Lakhs |
| b) | Date of Advance | : Rs.1000.00 Lakhs on 03.04.2014.
Rs. 500.00 Lakhs on 23.09.2014
Rs.2500.00 Lakhs on 15.07.2016 |
| c) | Interest Rate | : 12.00% p.a |
| d) | Security | : Unsecured |
| e) | Purpose | : To meet the gap of working capital. |
| f) | Repayable on | : By the end of March 2019. |

RELATED PARTY DISCLOSURES FOR THE PERIOD 01.04.2016 TO 31.03.2017.

(A) LIST OF RELATED PARTIES:

1) Key Management Personnel (KMP) & Wholetime 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 J. Murali Mohan

The Andhra Farm Chemicals Corporation Limited

Sri P.V. Krishna Rao

Company Secretary :

Sri M. Palachandra

General Manager (Finance) & Dy. Secretary :

Sri P.V.S. Viswanadha Kumar

2) 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 Rama Lakshmi	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 Anantha Lakshmi	Sister of Sri P.Narendranath Chowdary
Smt. Jayaraman Anantha Lakshmi	Sister of Sri M.Narendranath
Smt. Kosaraju Rama Lakshmi	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. Pendyala Archana	Daughter of Sri P.V. Krishna Rao
Sri Pendyala Venkata Rayudu	Son of Sri P.V. Krishna Rao
Sri Pendyala Ravi	Son of Sri P.V. Krishna Rao
Smt. Goli Devi	Daughter of Sri M.Thimmaraja
Smt. Pendyala Sesha Shailaja	Wife of Sri P.Achuta Ramayya
Smt. Pendyala Divya Atchmamba	Daughter of Sri P.Achuta Ramayya
Smt. Pendyala Sruthi Rajeswari	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

Notes Forming Part of Consolidated Accounts

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 Ganga Bhavani Devi	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
Smt. Jagarlamudi Namrata	Daughter of J. Murali Mohan

- 3) Enterprises in which Key Management Personnel and/or their relatives are Interested
- Andhra Pradesh Gas Power Corporation Limited
 - Jaya Industries
 - 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 Timma Raju Memorial Library & Cultural Centre
 - Sree Mullapudi Venkataramamma 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
 - Sree Thimmaraja Investment & Finance Company Pvt. Limited
 - Vibhas Polymers Pvt. Limited
- 4) Associate Company :
- The Andhra Petrochemicals Limited

Notes Forming Part of Consolidated Accounts

AS-18 GROUP CONSOLIDATION AS ON 31-03-2017

Sl. No.	PARTICULARS	ENTITIES CONTROLLED BY KMP	ASSOCIATE	KMP	RELATIVES OF KMP	TOTAL
1	Purchase of goods from					
	ASL	3894.27	0.00	7.68	2.46	3904.41
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		3894.27	0.00	7.68	2.46	3904.41
2	Sale of goods to					
	ASL	974.12	67.23	0.00	0.00	1041.35
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		974.12	67.23	0.00	0.00	1041.35
3	Purchase of fixed assets from					
	ASL	0.00	100.00	0.00	0.00	100.00
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	100	0	0	100.00
4	Sale of Fixed Assets to					
	ASL	0.00	0.00	0.00	0.00	0.00
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	0.00	0.00	0.00
5	Services rendered to					
	ASL	0.11	0.81	0.00	0.00	0.92
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.11	0.81	0.00	0.00	0.92
6	Services rendered by					
	ASL	20.02	0.00	27.58	2.07	49.67
	JOCIL	0	0	0	0.57	0.57
	AFCC	0	0	0	0	0.00
		20.02	0.00	27.58	2.64	50.24
7	Interest paid on Fixed Deposits					
	ASL	0.00	0.00	327.75	1037.78	1365.53
	JOCIL	0.00	0	15.23	19.60	34.83
	AFCC	0	0	0	0	0.00
		0.00	0.00	342.98	1057.38	1400.36
8	Interest paid on Loans Received from Directors					
	ASL	0.00	0.00	13.19	0.00	13.19
	JOCIL	0.00	0.00	0.00	0.00	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	13.19	0.00	13.19

Notes Forming Part of Consolidated Accounts

Sl. No.	PARTICULARS	ENTITIES CONTROLLED BY KMP	ASSOCIATE	KMP	RELATIVES OF KMP	TOTAL
9	Remuneration paid to					
	ASL	0.00	0.00	1729.12	14.48	1743.60
	JOCIL	0.00	0	119.39	0.00	119.39
	AFCC	0.00	0	4.00	0.00	4.00
		0.00	0.00	1852.51	14.48	1866.99
10	Dividend paid to					
	ASL	0.00	0.00	0.00	0.00	0.00
	JOCIL	0.00	0	0.00	0	0.00
	AFCC	0.00	0	0.00	0	0.00
		0.00	0.00	0.00	0.00	0.00
11	Donations paid to					
	ASL	140.00	0.00	0.00	0.00	140.00
	JOCIL	0.00	0	0.00	0	0.00
	AFCC	0.00	0	0.00	0	0.00
		140.00	0.00	0.00	0.00	140.00
12	CSR Expenses paid to					
	ASL	85.21	0.00	0.00	0.00	85.21
	JOCIL	0.00	0.00	0.00	0.00	0.00
	AFCC	0.00	0	0.00	0.00	0.00
		85.21	0.00	0.00	0.00	85.21
13	Dividend received from					
	ASL	2.80	0.00	0.00	0.00	2.80
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		2.80	0.00	0.00	0.00	2.80
14	Interest received on IC Loan					
	ASL	0.00	393.70	0.00	0.00	393.70
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	393.70	0	0	393.70
15	Inter Corporate Loans given to					
	ASL	0.00	2500.00	0.00	0.00	2500.00
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	2500.00	0.00	0.00	2500.00
16	Inter Corporate Loans re-payment from					
	ASL	0.00	0.00	0.00	0.00	0.00
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	0.00	0.00	0.00

Notes Forming Part of Consolidated Accounts

Sl. No.	PARTICULARS	ENTITIES CONTROLLED BY KMP	ASSOCIATE	KMP	RELATIVES OF KMP	TOTAL
17	Fixed Deposits Received from					
	ASL	0.00	0.00	649.00	1047.60	1696.60
	JOCIL	0	0	0.00	0.00	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	649.00	1047.60	1696.60
18	Fixed Deposits re-paid on maturity					
	ASL	0.00	0.00	198.00	145.45	343.45
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	198.00	145.45	343.45
19	Loans Received from Directors					
	ASL	0.00	0.00	50.00	0.00	50.00
	JOCIL	0	0	0.00	0.00	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	50.00	0.00	50.00
20	Loans Paid to Loans Received from Directors					
	ASL	0.00	0.00	117.00	0.00	117.00
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	117.00	0.00	117.00
Balances as at 31.3.2017						
1	Share capital held by the company in					
	ASL	7162.84	3660.56	0.00	0.00	10823.40
	JOCIL	0	0.00	0	0	0.00
	AFCC			0.00	0.00	0.00
		7162.84	3660.56	0.00	0.00	10823.40
2	Receivables-Trade dues from					
	ASL	211.94	0.00	0.00	0.00	211.94
	JOCIL	0	0	0	0	0.00
	AFCC			0	0	0.00
		211.94	0.00	0.00	0.00	211.94
3	Receivables-Inter Corporate Loans					
	ASL	0.00	4000.00	0.00	0.00	4000.00
	JOCIL	0	0	0	0	0.00
	AFCC			0	0	0.00
		0.00	4000.00	0.00	0.00	4000.00
4	Share capital of the company held by					
	ASL	154.20	0.00	391.63	678.16	1223.99
	JOCIL	0	0	0.26	3.62	3.88
	AFCC	0	0	0.40	2.33	2.73
		154.20	0.00	392.29	684.11	1230.60

Notes Forming Part of Consolidated Accounts

Sl. No.	PARTICULARS	ENTITIES CONTROLLED BY KMP	ASSOCIATE	KMP	RELATIVES OF KMP	TOTAL
5	Payables-Trade dues to					
	ASL	252.20	0.00	0.00	0.00	252.20
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		252.20	0.00	0.00	0.00	252.20
6	Remuneration payable to					
	ASL	0.00	0.00	1474.53	0.79	1475.32
	JOCIL	0	0	27.02	0	27.02
	AFCC	0	0	21.92	0	21.92
		0.00	0.00	1523.47	0.79	1524.26
7	Interest payable on F D's					
	ASL	0.00	0.00	75.46	230.52	305.98
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	75.46	230.52	305.98
8	Interest payable on Loans Received from Directors					
	ASL	0.00	0.00	2.92	0.00	2.92
	JOCIL	0	0	0	0	0.00
	AFCC	0	0	0	0	0.00
		0.00	0.00	2.92	0.00	2.92
9	fixed deposits payable					
	ASL	0.00	0.00	3275.55	10064.55	13340.10
	JOCIL	0	0.00	143.13	134.54	277.67
	AFCC	0	0.00	0.00	0.00	0.00
		0.00	0.00	3418.68	10199.09	13617.77
10	Loans Received from Directors payable					
	ASL	0.00	0.00	124.64	0.00	124.64
	JOCIL	0	0.00	0.00	0.00	0.00
	AFCC	0	0.00	0.00	0.00	0.00
		0.00	0.00	124.64	0.00	124.64

Notes Forming Part of Consolidated Accounts

Income Tax reconciliation

	For The Year 2016-17	For The Year 2015-16
		(Rs. in lakhs)
INCOME TAX EXPENSE AND DEFERRED TAXES		
Income Tax Expense:-		
a. Current Tax	3,595.56	3778.55
b. Deferred Tax	2,158.96	146.85
c. MAT Credit Entitlement	(1553.48)	0.00
d. Income Tax Refund	(4.54)	(90.45)
e. Short/ (Excess) provision of Income Tax of Earlier years		(190.91)
Total Tax Expense for the year	4196.50	3644.04
Effective Tax Reconciliation		
a. Net Profit/(Loss) before taxes	16,925.82	10,075.65
b. Tax rate applicable to the company as per normal provisions	34.61%	34.61%
c. Tax expense on net profit (c=a*b)	5857.69	3486.98
d. Increase /Decrease in tax expense on account of:-		
i. Non-taxable income/Exempt income	(102.11)	(230.20)
ii. Accelerated Depreciation	(2323.67)	729.11
iii. Expenses not allowed under Income Tax Act	103.01	154.76
iv. Expenses that are allowed under payment basis Section-43B	(19.72)	(3.00)
v. Expected Credit Loss as per Ind AS	(10.60)	(3.55)
vi. Amortisation of Government Grant as per Ind AS	(149.45)	(163.19)
vii. Finance Cost as per Ind AS	133.93	160.99
viii. Additional deduction of capital expenditure on R&D	(21.29)	(5.38)
ix. Profits deductible	(1450.90)	(160.45)
x. Non Taxable Subsidiaries and effect of Differential Tax Rates	20.18	8.39
x. Other Adjustments		2.81
	(3820.63)	490.27
e. Tax as per normal provision under Income Tax Act (c+d)	2037.06	3977.25
Add: Interest on income tax	2.49	48.72
Less: Brought-forward losses		(247.43)
Tax (including interest) as per normal provision under Income Tax Act	2039.55	3778.55
Deferred Taxes:		
As on the reporting date		
a. On OCI Component		
- Investments classified as FVTPL	888.30	1786.36
b. Other than OCI Component		0.00
- Difference in WDV of Fixed Assets	2178.10	(640.51)
- Financial Assets reported at fair value	71.31	(27.97)
- Discounting of legal cases	9.27	695.83
- Post Employment benefits	(91.64)	29.40
- Unabsorbed Losses		140.58
- Other Disallowances	(8.09)	(50.48)
c. Total for the year	3047.26	1933.21
Expense/(Income) Recognised for the year ended:		
a. Deferred tax liability/(asset)/recognised in statement of profit and loss	2158.96	146.85
b. Deferred tax recognised in Other Comprehensive Income	888.30	1786.36
c. Deferred tax recognised in Total Comprehensive Income	3047.26	1933.21

Note: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.

The Andhra Sugars Limited - Group Consolidated Financial Statements
Notes Forming Part of Consolidated Accounts

ANNEXURE - II

(Rs. in lakhs)

STATEMENT SHOWING SEGMENT WISE ANALYSIS AS ON 31.03.2017

Description	SUGARS		CAUSTIC SODA		POWER GENERATION		INDUSTRIAL CHEMICALS		SOAP		OTHERS		ELIMINATIONS		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
REVENUE:																
External sales	23115.81	23915.86	51595.81	46793.66	2294.94	1977.51	38630.34	38377.09	14478.46	18640.40	7836.06	6067.07			137951.43	135771.59
Inter-segment sales	3592.30	3676.91	2067.98	2547.91	3693.69	4262.50	9674.41	11318.77	0.00	0.00	15.89	99.43	19044.26	21905.52	137951.43	135771.59
Total revenue	26708.11	27592.77	53663.79	49341.57	5988.63	6240.01	48304.75	49695.86	14478.46	18640.40	7851.95	6166.50	19044.26	21905.52	137951.43	135771.59
RESULT:																
Segment result before interest, Extra-ordinary items	2557.67	(1184.44)	13368.42	9181.44	4521.53	474.82	2056.97	4905.35	(215.39)	1077.86	2418.17	1002.26			24707.37	15457.29
Unallocated corporate expenses less income															6149.66	3298.72
Operating Profit															18557.71	12158.57
Interest expenses															2574.29	2873.28
Interest income															942.40	790.36
Profit before tax															16925.82	10075.65
Loss from Associate															251.96	810.54
Provision for current and deferred tax															4196.50	3644.04
Net profit after tax															12477.36	5621.07
OTHER INFORMATION:																
Segment Assets	25667.75	30370.53	34437.86	33946.64	31425.98	19700.70	18959.89	14761.15	4329.56	4898.32	5828.72	5762.77			120649.76	109440.11
Unallocated Corporate Assets											50985.02	32088.87			50985.02	32088.87
Total Assets															171634.78	141528.98
Segment Liabilities	5979.20	7774.32	8524.46	7390.70	3392.99	1181.34	4392.08	3906.94	326.62	380.00	592.34	961.87			23207.69	21595.17
Unallocated Corporate Liabilities											11457.70	7287.22			11457.70	7287.22
Total Liabilities															34665.39	28882.39
Capital Employed	19688.55	22596.21	25913.40	26555.94	28032.99	18519.36	14567.81	10854.21	4002.94	4518.32	44763.70	29602.55			136969.39	112646.59
Capital Expenditure	586.53	952.80	897.48	3237.14	14120.90	26.49	316.31	923.23	22.99	606.09	606.09	589.20			16550.30	5728.86
Depreciation	912.70	1045.69	2135.75	2197.96	462.41	858.87	1010.15	798.79	103.74	115.04	502.49	581.09			5127.24	5597.44

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 Fertilizers, 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.

Notes Forming Part of Consolidated Accounts

Share of Entities in Group

(Rs. in Lakhs)

	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated profit or loss	Amount (Rs. In lakhs)	As % of consolidated Other Comprehensive Income	Amount (Rs. In lakhs)	As % of consolidated Total Comprehensive Income	Amount (Rs. In lakhs)
Parent The Andhra Sugars Limited	0.87	118967.35	0.99	12051.05	0.98	2741.18	0.99	14792.23
Subsidiaries								
JOCIL Ltd.	0.13	17605.43	0.04	451.68	0.03	74.23	0.04	525.91
The Andhra Farm Chemicals Corporation Limited	(0.00)	(13.34)	(0.01)	(116.51)	--	--	(0.01)	(116.51)
Hindustan Allied Chemicals Ltd.	0.00	157.62	0.00	7.06	--	--	0.00	7.06
Associate								
The Andhra Petrochemicals Ltd.	0.00	252.33	(0.02)	(251.96)	(0.01)	(25.18)	(0.02)	(277.14)
	100.00%	136969.39	100.00%	12141.31	100.00%	2790.23	100.00%	14931.54

Notes Forming Part of Consolidated Accounts

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Rs. in Lakhs)

1. Name of the Subsidiary	JOCIL Ltd.	The Andhra Farm Chemicals Corporation Ltd.	Hindustan Allied Chemicals Ltd.
2. The date since when subsidiary was acquired	27-10-1988	29-11-1980	15-10-1971
3. Reporting period for the subsidiar	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017
4. Share capital	888.16	45.00	10.63
5. Reserves and surplus	15931.29	(50.76)	150.08
6. Total assets	25064.82	225.84	161.04
7. Total Liabilities	8245.37	231.61	0.33
8. Investments	276.32	0.04	--
9. Turnover	41014.56	--	--
10. Profit before taxation	1018.61	(111.89)	13.26
11. Provision for taxation	197.81	NIL	4.14
12. Profit after taxation	820.80	(111.89)	9.12
13. Proposed Dividend	Rs.3/- per share	NIL	NIL
14. Extent of shareholding (in percentage)	55.02%	77.35%	76.82%

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	The Andhra Petrochemicals Ltd.
1. Latest audited Balance Sheet Date	31-03-2017
2. Date on which the Associate or Joint Venture was associated or acquired	14-08-2014
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.s	28086613
Amount of Investment in Associates or Joint Venture	Rs. 3660.56 Lakhs
Extent of Holding (in percentage)	33.05%
4. Description of how there is significant influence	Associate Company
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Networth attributable to shareholding as per latest audited Balance Sheet	Rs.3750.29 Lakhs
7. Profit or Loss for the year	Rs. (736.07) Lakhs
i. Considered in Consolidation	Rs. (251.96) Lakhs
ii. Not Considered in Consolidation	Not Applicable



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